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FBIS 50th Anniversary Note

To Our Consumers:

This year the Foreign Broadcast Information Service observes its 50th anniversary.

The service, first called the Foreign Broadcast Monitoring Service, was established in 1941 prior to the U.S. entry into World War II. At the time, a number of U.S. Government officials were concerned about the content of foreign radio broadcasts—a relatively new means of conveying information and propaganda across borders. On their advice, President Franklin D. Roosevelt in late February 1941 allotted money from his emergency fund to institute the recording, translating, transcribing, and analyzing of selected foreign broadcasts for the U.S. Government. During World War II the service demonstrated that monitoring was a fast, economical, and reliable way to follow overseas developments.

Today the Foreign Broadcast Information Service provides its consumers throughout the federal government, according to their diverse official interests, with information from a broad range of foreign public media. FBIS information also is available to readers outside of the government, through the National Technical Information Service. Objectivity, accuracy, and timeliness are our production watchwords.

We members of the current staff of FBIS extend our thanks to consumers for their interest in FBIS products. To past staffers we extend our thanks for helping the service reach this anniversary year. At the same time, we pledge our continued commitment to providing a useful information service.



R. W. Manners
Director

Foreign Broadcast Information Service

Sub-Saharan Africa SUPPLEMENT

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GABON

* Denied Government Role, PT Leaves PDG

91AF0525B Libreville L'UNION in French
14 Dec 90 p 8

[Article by Pierre-Marie Mbongo'o]

[Text] In the magnificent ambience of the Hyppocampe Restaurant, the [PT] Labor Party (formerly the Workers' Force) chose to reenter politics. The entire event was centered around the party's relations with the PDG [Cabonese Democratic Party], other foreign political groups and the current burning political issues.

There was no crowd yesterday at the press conference marking the reentry into politics of the Labor Party, which was known during the National Conference as the "Workers' Force." Some militants or sympathizers had taken their place around President Mburu-Yi-Djako, forming a five-member executive bureau.

Everything started with a preliminary interminable statement intended to guide the debate with the press. First, Mr. Mburu-Yi-Djako indicated that his party was born out of the frustrations of Gabonese workers and laborers. He took an active part in the National Conference, notably in declaring himself on the side of the Assembly before he was expelled, but especially in positioning himself in favor of defending republican and institutional legitimacy.

Pursuing his purpose, Mr. Mburu-Yi-Djako said that during the legislative elections, conscious of his relative youth and weak support in the country's interior, his party preferred to campaign for the PDG, for a smooth transition. Coming to what appeared to be the key point of his discourse, Mr. Mburu-Yi-Djako indicated that now there is a problem between his group and the PDG. It is believed, in effect, within the Labor Party that the small associations gravitating around the PDG contributed greatly to its final victory. But in return, the speaker asserted, the PDG has completely ignored them: "The composition of the current government does not reflect the arithmetic of the presidential majority, and as a consequence we are breaking solidarity with the PDG, but we remain faithful to the President of the Republic," he stated.

Referring to the utilization of their donation of 20 million francs, an apparent obligation, Mr Mburu stated that a good portion of that money was used for the election campaign, another part is destined for party organization in all the provinces, and the rest goes toward party operating costs.

Mburu also indicated that his party has friendly relations with the Israeli Labor Party, the British Labor Party, and the German SPD [Social Democratic Party].

* Employers Survey Economy, Oil Exploration

91AF0582C Libreville L'UNION in French
24-25 Dec 90 p 8

[Article by Neltch: "CPG [Gabon Employers Confederation] Leadership Meeting; Economic Activity Still Idling"; first paragraph is L'UNION introduction]

[Text] The members of the CPG Council, which met recently in Libreville, have broadened the composition of their new bureau (the 1991 bureau with 13 members). Its president is Mr. Emile Doumba, general manager of BICIG [International Bank of Commerce and Industry]. The Council consists of 39 members. Apart from electing its bureau, the Council has reviewed the country's economic situation, sector by sector. Economic conditions remain difficult in practically all sectors.

Little has changed in maritime transport since the first half of the year, due to stable imports and much reduced manganese exports. However, lumber exports remain strong. Nevertheless, on all markets, both prices and quantities have fallen. This is due in part to the fall of the dollar, which reduces profits on Asiatic markets.

According to the Council, the abolition of rediscounting by the Central Bank for the SNBG [Gabon National Lumber Company] will result in dramatic financing problems for lumber companies. As far as plywood is concerned, the situation is deteriorating at an accelerating rate; the depreciation of the dollar boosts Asiatic competition, whose large stocks will have to be sold at cut-rate prices; the CFG [Gabonese Railroads] has abolished its night shift and revised upward its layoff projections.

Manganese prices have also fallen in real terms since the beginning of September. This drop in sales is due to two main phenomena: on the one hand, some reservations concerning purchasing countries of questionable solvency; on the other hand, the fact that a lot of low-grade ore is available on the market, which is not the case of the COMILOG [Ogooue Mining Company] ore.

This trend will probably continue during the first quarter of 1991, and COMILOG will have to progressively gear its activity to the production of low-grade ore. As far as social unrest in Libreville is concerned, it was due to a lack of understanding between the local management and the employees, but it did not affect the labor force as a whole.

As for uranium, current spot prices are the lowest on record so far: U308 now costs 5,427 CFA [African Financial Community] francs per pound; one year ago, the price was 15,000 CFA francs (some of the difference is due to the lower exchange rate of the dollar).

Industrial activity started picking up last June, as a result of a wage increase and the election campaign; the trend is now stabilized and there is no cause for optimism in 1991.

Overall oil and gas distribution declined by 7 percent, and expenses increased; this caused results [as published] to fall by 25 to 60 percent, and investment programs were revised downward; the only increase was in the automobile sector, but 1990 will be 4 to 5 percent below 1989. As for aircraft fuel consumption, it decreased by 10 percent. The Council is hoping for an increase of about 2 percent in 1991 and 1992.

We should also indicate that the abovementioned downward revision of investment programs in the oil sector is only temporary. The decrease in exploration activities, the Council explained, is due to the forthcoming expiration of a number of permits. In 1990, oil companies spent 50 to 60 billion CFA francs on exploration, and 1991 figures will be about as high, because exploration in Gabon is expensive. Current production is about 283,000 barrels per day, and they are trying to increase it to 300,000 barrels.

Higher Kerosene Prices

As far as prices are concerned, we should not forget that Gabonese oil prices are usually \$1.5 to \$4 lower than the Brent reference price. Also, the new tax conditions handicap businesses.

Refined products, in particular kerosene, increased by 20 CFA francs per liter, and all ex-refinery prices can be expected to increase.

Concerning bank activities, the Central Bank has adopted major measures concerning the base rate, which was increased from 10 to 11 percent. Apart from that, banking terms were eased: the minimum deposit rate was set at 7.5 percent, and the maximum lending rate at 18.5 percent. Bonus rates were abolished.

With these measures, the BEAC [Bank of Central African States] aims to stabilize the banking system in the region, and it has started auditing all banks: its goal is to clarify the situation of the BGL [Gabonese Bank of Luxembourg?] and the BPGC [expansion not given] by the end of November. Businesses are thus enjoined to maintain balances, or else lose their rediscounting privileges. These measures should make it possible to bring Central African institutions in step with those in West Africa and France, and to curb the flight of capital.

Finally, tourism is the sector hit hardest by these difficult economic conditions. Certainly, Libreville possesses excess capacity, but the occupancy rate is dangerously low, about 25 to 30 percent, i.e., well below the profitability threshold. The reasons mentioned are the multiplication of small restaurants, the lack of any tourism, the disastrous situation of inland hotels. The contract between the Meridien hotel group and the State, concerning the Re-Ndama, has still not been signed.

UGANDA

* NOM/NOA Alleged Invasion Plans Revealed

91AF0631A Kampala WEEKLY TOPIC in English
25 Jan 91 pp 1, 14

[Quotation marks as published]

[Text] Rebels of the Ninth October Army/Movement (NOM/NOA) are equipping themselves and heightened plans to launch an attack on Uganda [as published].

According to reliable sources, Aggrey Awor, one of the (NOM/NOA) leaders recently returned to Nairobi from London where he met former President Milton Obote. Awor was Obote's ambassador Extraordinary and Plenipotentiary and was stationed in Washington.

President Museveni also revealed on Wednesday that there were attempts in a neighboring country to recruit 500 white mercenaries to topple the NRM [National Resistance Movement] government.

It has been learnt that in Nairobi Awor is working closely with Peter Owili to coordinate NOM invasion plans. Owili, was notorious as the "Butcher of Nile Mansions", where he was in charge of torturing suspected anti-Obote rebels and sympathizers between 1981 to 1985. When the NRA [National Resistance Army] took power, Owili fled to Kenya and attempts by the Uganda government to extradite him failed.

As part of NOM's reorganization, its political and military mobilization committee (PMMC) distributed a standing order on December 12, 1990, to its commanders on recruitment, training and troop discipline. The standing order is signed by E. S. Engona "for the Chairman" who is commonly believed to be Obote. Part of the standing orders on recruitment provide that "All former UNLA [Uganda National Liberation Army], UA [expansion unknown], Ex-Police, Special Force and Ex-Prisons staff with good working records be recruited into our NOM/NOA camps." It also specifies that "During the recruitment of personnel no alliance should be entertained or encouraged but whoever joins NOM/NOA from any fighting group or movement should do so on individual basis." The standing orders were distributed on December 12, 1990 but had been passed much earlier on March 3, 1989.

Our sources say the preparation and recruitment by NOM have "reached levels which can cause a lot of instability inside Uganda".

Our sources say that on November 11, 1990, NOM received a large consignment of medicines from (or through) the Island state of Mauritius. They also allege that some uniforms have been purchased from "inside Uganda", though its not clear from who.

At the political level Serown, who used to run Tourist Hotel near Nakasero Market since 1979 and was a failed UPC [Uganda People's Congress] candidate in Mbale in

the preliminaries of the 1980 elections, is NOM/NOA's finance controller. Dr David Anyoti, former Obote's Information Minister and who is in exile in Zambia is said to be NOM's political commissar. However, when WEEKLY TOPIC checked with other knowledgeable sources, it was told that Anyoti's commitment to NOM was "questionable" because he has been talking to an NRM Minister who used to be an old friend. We understand he is considering returning to Uganda, and his wife is particularly pushing him to do so. Lt Col William Omaria, is NOM/NOA's Chief Operations commander. Omaria lives in Nairobi, at Kibira near Nairobi hospital.

Information points to a lot of military activity by NOM/NOA. It has established four known large camps some kilometers inside Kenya from the Uganda border. One is said to be at Funyula, and its commanded by a Lt Kakaire.

The second is at Amungura, this camp is also NOM's operational base, and is commanded by Lt Tabu a deserter from the NRA.

The third is reported to be at Chokorot, and is commanded by Obote's former Inspector General of Police, Okoth Ogolla.

The fourth is at Olugumo, in the Turkana area off Mt. Elgon and is commanded by Lt Col John Ogole. Ogole gained notoriety when he was in charge of the UNLA's brutal counter-insurgency campaign against the NRA in the Luwero Triangle. Ogole's battalion is called 18KG (Kikosi kya Gyesi) and is believed to comprise just over 700 men.

NOM/NOA's main force is its 'Mobile Unit', under the command of a Captain Peter Okello. The unit is estimated to comprise 1,000 men and is based at Soi near Webuye town. Elements of this unit are the ones who've been infiltrating the eastern part of the country and ambushing cars in the Tororo and Busia areas.

The unit suffered a set-back when the NRA recently attacked its camp at Kasolo, along river Malaba. The camp's doctor, Richard Engom, was killed in the attack. The camp commander, whose nom de guerre (guerrilla name) is "Professor", but is otherwise Lt Omari, was wounded in the thigh but escaped. He is now in Bungoma hospital.

NOM/NOA's plan is said to be cut off Eastern Uganda, beginning from Mbale to Bukoli in Busoga. This they reckon; will give them a rear base for supplies and a population to recruit from. It's working closely with Peter Otai's UPA/UPF [Uganda People's Alliance/Uganda Popular Front] which has been active in Teso. Teso is to remain UPA's part of the eastern theatre of operations.

NOM/NOA is also said to have infiltrated many of its officers into Uganda, but they seem to be following new stringent orders and are lying low. WEEKLY TOPIC has

learnt that several NOA officers are already inside the country. These include 2nd Lt George Ochoborot, formerly with the UNLA. Lt Odhiambo, formerly with UNLA at Lubiri, Lt Jamada Kayamba, who reportedly deserted the NRA in 1987 with seven submachine guns. Sgts Peter Wabwire and Charles Emung. Privates Makoha, Wejuli, Okoth, David Ngobi, Wotatia (nom de guerre), Charles Namondo, James Mafabi, Peter Maszoa and William Guloba.

WEEKLY TOPIC has also received reports of coordinators in various parts of the country. In Busia one of them is a local chief. In Iganga, a prisons officer is believed to be involved. In Jinja, its a businessman. In Kampala, there are several. One has a shop near Nakasero Market and the other is a man working with one of the building societies. In Mbale, one of the coordinators is said to be working with the Bugisu Cooperative Union.

In the face of recent incursions by NOA's mobile brigade, the NRA has intensified patrols along the Busitema forest and Iyolwa areas on the Jinja-Tororo road as one nears Tororo.

Recently when the NRA attacked the (NOM/NOA) camp at Kasolo, the survivors were reported to have escaped into Kenya. It's not known whether the rebels are receiving official support from the Kenya government, or are being assisted under freelance arrangements by individual politicians. The Kenya government did not issue any statement on the reports. In other rebel activity reports two weeks ago, the leader of Kenya's rebel Kenya Patriotic Front (KPF) Koigi Wamwere, who is facing treason charges swore in a court affidavit that he had been kidnapped from Equatoria Inn on the Uganda side in Busia on October 8 by hooded men and spirited to Kenya. The newly launched Swedish-based Kenya Human Rights Organizations (KESHRO) repeated the same allegations in a statement issued last December. The Uganda government denied that Koigi Wamwere had passed through Uganda in the period when he swore in his affidavit that he did.

Despite these developments, relations between Uganda and Kenya remain lukewarm and Ugandans passing through at times still face harassment. Given the acrimony that has marked this relationship in the last five years, this lukewarmness can pass for "good".

*** Racial Disparities in Police Force Noted**

91AF0632B Johannesburg THE WEEKLY MAIL
in English 18-24 Jan 91 p 9

[Article by Gavin Evans; first paragraph is introduction; words in italics as published]

[Text] Policemen are trained at racially segregated institutions and there are no black officers in command of whites. Yet the SAP [South African Police] insists it is non-racial.

There are 4,615 officers in the South African Police—but only 82 are classified as black.

Put differently, 45 percent of the 87,000-strong force is white, yet this group comprises 94.4 percent of its officers corps (with blacks making up 1.77 percent, Indians 2.27 percent and coloureds 1.56 percent).

The police force insists their policy is one of strict non-racialism and that this extends to a rejection of any form of affirmative action, but the legacy of apartheid is far from being eradicated from their ranks.

One indication is that black and white policemen are still trained at four racially segregated colleges—a fact Law and Order representative Captain Craig Kotze explains as “part of the baggage” inherited from a racially separate past, which financial and logistical factors make difficult to change overnight as this would upset the training process at a time when more police were needed.

At present, the highest ranking policeman who is not white is an Indian brigadier. It appears that no black officers are in command of whites.

Asked about this, Kotze responded: “Due to the fact that the police force is not racially trained or structured the question is irrelevant.”

He explained that all officers of the same rank had the same status and were senior to those below them.

Nevertheless, the disparity is a startling one—even more so when one considers that whites make up only 16 percent of the total population (excluding the “independent” homelands). Adjusted according to population ratios the representation of whites in the officer corps is 244 times that of blacks (Africans).

The disparity also exists further down the line with warrant officers. Law and Order Ministry figures show that at the end of last year there were 4,357 white warrant officers, 811 black, 270 Indian and 211 coloured.

Kotze stresses that the police force is “fully integrated—non-racial and non-sexist.” He argues that this implies that there should be no accelerated promotion of black officers.

“We believe the historical disparities which exist would not be addressed through affirmative action. We don’t

promote on anything but merit. To do otherwise would be totally counter-productive. To promote someone simply because he was black or white would be an injustice and would be unfair to the individual concerned because he would know that he was not fit for the job.”

He points out that the qualifications for anyone entering the force are the same (a matric certificate).

One of the key aims of the force, says Kotze, is to remove it from the political arena. “We have policemen of various political persuasions—Conservative Party, National Party, ANC [African National Congress], PAC [Pan-Africanist Congress] and so on, but the guiding line should be a professional code of conduct based on observance of the law.”

In some respects the South African Defense Force [SADF] faces a comparable situation with a serious underrepresentation of blacks in its ranks and particularly in its officers corps.

The SADF says it is against its policy to divulge figures on troop strength.

SADF representative Commandant Rian Louw said, however, that 68 percent of its number was white, 21 percent black, 10 percent coloured and 1 percent Asian.

Independent defence sources say that if the national service, Citizen Force and Commando strength of the SADF is added to the Permanent Force breakdown about 90 percent of the army is white.

Only whites are conscripted to do national service and military camps in Citizen Force and Commando units and the majority of blacks serve in “ethnic” units. The highest ranking officers in the SADF who are not white are colonels.

It is hardly surprising, therefore, that police and SADF claims that they are non-racial are rejected by most of the government’s political opponents and likely to become an issue of contention in negotiations.

Not only will the separate police forces, security branches and armies of Transkei, Bophuthatswana, Venda and Ciskei need to be reintegrated into the SAP as part of a political settlement, but the composition of the country’s security forces is also likely to be a problem.

In a recent article in its official mouthpiece, *Mayibuye*, the African National Congress describes the SAP and SADF as “racial institutions the government reforms have left untouched,” and argues the future of both should be placed on the negotiating table.

Regarding the police, it calls for an increase in the number of recruits, an affirmative action programme to increase the number of black officers and a re-orientation of the security police with all those known to have assaulted detainees to be retired.

It calls for an end to military conscription and instead supports a permanent force—made up by integrating the SADF with the “home-land” armies and Umkhonto weSizwe [Spear of the Nation]—backed up by volunteers serving on a short-term basis.

* Post Office Union Holds ‘Militant’ Congress

91AF0632C Johannesburg THE WEEKLY MAIL
in English 18-24 Jan 91 p 33

[Article by Drew Forrest; first paragraph is THE WEEKLY MAIL introduction]

[Text] Privatisation, pay talks and alleged racist policies are issues likely to bring Post Office management and a militant union leadership into conflict this year, reports Drew Forrest.

Sweeping changes to the leadership of the 22,000-strong Post and Telecommunications Workers' Association (Potwa) could presage a year of drama and intense labour activism in the Post Office [PO].

At the union's third national congress in Johannesburg at the weekend, 300 delegates voted out general secretary Vusi Khumalo and other key officials, replacing them with a group of youthful militants described by observers as “tough” and “very dedicated.”

“A lot of the vibrancy that went out of Potwa after the '87 strike will not return,” was one comment.

In contrast with the 1988 congress, marked by ideological infighting, the weekend gathering reflected Potwa's close alignment with the congress Alliance. Congress delegates adopted the Freedom Charter, and speakers included ANC [African National Congress] deputy president Nelson Mandela and Cosatu [Congress of South African Trade Unions] vice-president and SACP [South African Communist Party] leader Chris Dlamini.

New general secretary Mlungisi Hlongwane, a former PO worker fired during the 1987 strike and later detained for six months, is an executive member of the ANC branch in Pimville. His newly elected assistant, Sizwe Matshikiza, is ANC branch chairman in Mhlakeng and the new treasurer, Lefty Monyokolo, a community activist in Vosloorus.

Survivors from the old NEC [National Executive Committee] include Bob Mabaso, a member of the SACP's provisional leadership, and Potwa president Kgabisi Mosunkutu, active in the Civics Association of the Southern Transvaal. There is speculation that other leaders may be SACP members.

A post-congress press conference struck an immediate militant note, with the announcement of campaigns of mass action, beginning next month, including pickets, lunch-hour protests, marches and, “if management will not heed our demands,” work stoppages.

Floyd Mashele, former vice-president, was elected as the union's first full-time campaigns co-ordinator.

“The Post Office will be declared a people's industry,” Mosunkutu said. “Employers will be forced to relinquish the old system of racial employment.”

A key target for action will be the “merit system”—continuous assessment for promotion purposes, which Potwa says has ensured a white monopoly of top technical positions. The post office denies it is racially applied.

Potwa also says restrictive hiring practices—the staff complement has remained steady at 95,000 for three years, with 33,000 workers being African, coloured or Indian—has impaired services to the townships.

The union would urge jobless youths to “flood” engineering yards, demanding employment, Mosunkutu said.

The congress reaffirmed Potwa's inflexible opposition to privatisation and the “commercialisation” of the Post Office, and warned that privatised concerns “stand to be nationalised without compensation.”

A certain flashpoint this year is the Post Office amendment Bill, which aims to split the Post Office into separate companies for posts and telecommunications and was tabled in parliament in 1990. The union also sees this as “privatisation by the back door.”

Wages are also a likely battleground. Delegates voted to press for a R [rands] 1,300 minimum wage—the current rate is R735—and a R500 across-the-board rise. Strike action was narrowly averted last year after protracted negotiations and repeated skirmishes, and Mosunkutu laid heavy emphasis on workers' “bitterness” at the PO's final offer.

Other congress demands and decisions included:

- The abolition of temporary worker status and of alleged pay discrimination on grounds of colour, region and gender. PO workers who fail to meet certain educational and health standards remain on a temporary footing.

Six months' paid maternity and three months' paid paternity leave.

June 16 and 21 March (Sharpeville Day) as paid public holidays.

It is understood that Khumalo, also a member of Cosatu's executive committee and key participant in the federation's Labour Relations Act negotiations, was rejected by five major Potwa regions.

Sources allege he had lost touch with the union rank and file, partly because his role as the local representative of the Postal, Telegraph and Telephone International involved extensive overseas travel.

It is unclear whether he will remain with Potwa. "We want to retain his services," said one of the new leaders. "He is experienced and has contributed much to the building of the union."

* Mamba Vehicle to Be Demonstrated Overseas

91AF0636B Pretoria PARATUS in Afrikaans
Jan 91 p 24

[Text] OMC Engineering, in conjunction with Mechem, is going to send a Mamba vehicle overseas in order to demonstrate its capabilities there. It is hoped that this will lead to orders for a significant number of vehicles.

The Mamba vehicle, in the 4-106 configuration, is a tough, high-mobility weapon platform that is suitable for all terrains.

The vehicle was designed with an interchangeable, modular rear platform that can carry a variety of weapon systems, such as the 106 mm recoilless gun, the 23 mm antiaircraft gun, a light missile system, the 120 mm mortar, and the 107 mm rocket launcher.

The high mobility and interchangeability of its weapon platform makes the Mamba the ideal weapon for lightning-fast hit-and-run operations, which makes it possible to level considerable firepower against the enemy.

The V-shaped carriage offers passengers in the cab protection against land mine explosions. The Mamba is also available as a personnel carrier, with seating for seven or 11 in cabs that are completely enclosed.

* New Venetia Diamond Mine Project Described

* Manager Outlines Potential

91AF0659A Johannesburg ENGINEERING NEWS
in English 18 Jan 91 pp 17-18, 29-30

[Interview with project manager of Venetia Diamond Mine Project, Brian Ainsley by Elena Kyriacou: date and place not specified]

[Text] Almost R [rands] 500-million of the total capital expenditure figure of R1.1-billion has been committed to the new Venetia diamond mine project, De Beers' biggest ever single mine investment. In an interview with THE ENGINEERING NEWS staff writer Elena Kyriacou, Venetia mine project manager Brian Ainsley says the diamond mine will be a major producer when it reaches full production at the beginning of 1993.

[Question] Would you please describe the mine which is to [be] built on the farm Venetia near Alldays in the northern Transvaal and outline how the diamonds will be mined and sampled. Can you also comment on the handling and sorting facilities?

[Answer] The mine that is to be built on the farm at Venetia near Alldays is essentially an open-pit mine

which will exploit over a 20 year period the reserves identified in the two largest kimberlite pipes.

There are further reserves and it is hoped that it will be possible to extend the life of the mine beyond this period.

The mine will treat ore reserves at a rate of 3.3-million tons a year and will produce in the order of four million carats a year.

Mining will be reasonably conventional and will utilise rope and hydraulic face shovels for loading and 85 ton off-highway dump trucks for hauling.

The treatment plant incorporates conventional technology and consists largely of a number of crushing, screening and scrubbing stages to remove clay and other fine materials, dense media separation for the concentration of the diamond-bearing gravels, followed by X-ray and grease recovery systems.

Hand-sorting will be the final stage of the process before the product is sent to the De Beers sales offices.

[Question] The total estimated capital cost—inclusive of escalation, contingencies and expenditure to date—will be about R1.1-billion. Could you provide a broad breakdown of how, where, when and on what this money will be spent?

[Answer] Of the total projected capital cost of about R1.1-billion, about 40 percent provides for financials and includes escalation and contingency, design costs and consulting fees.

Of the remainder, the main treatment plant will absorb in the order of 60 percent of the cost, housing and infrastructure 25 percent and the remaining 15 percent is associated with the establishment of the mining operation itself.

The project was approved in December 1989 and the total capex of R1.1-billion will occur during the two-and-a-half year period between this date and the middle of 1992.

The majority of the expenditure will be absorbed by construction-type contracts implemented at the mine site.

There will of course be further expenditure on the procurement of mining and processing equipment.

A great deal of the expenditure will be incurred on materials and services provided by South African companies, although some of the mining equipment itself and a small amount of processing equipment will be imported.

At the end of last year, almost one half of the total capex had been committed and about 25 percent of the expenditure had already occurred.

[Question] The original De Beers press release spoke of the adaptation of "advanced technology to improve diamond recovery." Could you elaborate on the advanced technology to be used.

[Answer] This refers particularly to the use of pressure roll crushers in the recrush section of the plant and in addition, minor improvements to the diamond recovery technology associated with X-ray and grease machines have been introduced.

[Question] How many contracts have been awarded at Venetia and what is their total value? Can you describe the contracts awarded and supply the names of the companies which are recipients of the contracts?

[Answer] As I mentioned earlier, we have now committed almost half of the R1.1-billion (the figure is close to R500-million).

We have placed contracts for the fabrication and erection of structural steel, the fabrication and erection of platework and the fabrication and installation of conveying systems, earthworks, foundations and the installation of roads and services at the plant site.

In the infrastructural area, we have placed contracts for the development of the wellfield at Greefswald on the Limpopo, for the installation of the pipeline between the wellfield and the mine as well as a number of contracts for the construction of a surfaced road between Venetia and Messina/Nancefield and Venetia and Bridgewater.

In Messina/Nancefield itself, where the bulk of our employees will live, a number of house construction and township servicing contracts have been placed.

The recipients of some of these contracts include Genrec Construction, Dorbyl, Wilson Bayly Holmes, Bester, WJM, CMGM, WJ Engineering, Cricor, Handhaaf Bouers, Concor, Krupp/Polysius and GEC.

Additionally, a major design contract was placed early last year with Van Eck & Lurie, a division of EL Bateman.

The construction management contract has been placed with Genrec.

[Question] What tenders still have to be called and when will these be invited?

[Answer] We will be issuing further invitations for tenders for the fabrication and installation of pipework, mechanical installations, installations of electrical and instrumentational systems and further contracts are envisaged in the civil engineering and house construction fields.

We anticipate that most of these tenders will be issued in the first quarter of this year.

[Question] What non-mining infrastructure, such as roads and water facilities, has to be established to serve the new mine?

[Answer] During the feasibility study phase of the project we identified several alternatives that were available for the housing of the employees of the Venetia mine.

The alternatives we considered were the construction of a mine village in Venetia itself and as options, developments within existing communities in the area including Alldays, Lebowa and Messina.

Additionally, we surveyed the availability of labour, including skilled, semi-skilled and unskilled, which led us to the conclusion that the most satisfactory alternative was the establishment of housing in the Messina/Nancefield area and in the northern area of Bochum/Lebowa.

This decision implied that new roads would need to be constructed to link these communities to the mine.

Although the mine is funding the construction of these roads, they will become proclaimed TPA [Transvaal Provincial Administration] roads and will be handed over to the TPA at the completion of construction.

With respect to water supplies, as is well known, the far north of the northern Transvaal is an extremely arid area and a detailed survey was carried out to identify potential sources of water for the mine.

This study concluded that the only viable source was the Limpopo river and the best site was identified as being one immediately downstream of the confluence of the Shashi river with the Limpopo river.

The Department of Water Affairs has agreed to develop a government water supply scheme.

A pilot scheme has already been constructed and is in operation.

Its expansion into the final scheme to meet the final mine demands is being actively pursued.

[Question] At what rate are diamonds now being produced at Venetia?

[Answer] The feasibility study has provided for the construction of the main treatment plant, and the development of the mine and in addition, has provided for the rehabilitation, refurbishment, modernising and extension of the sampling plant which the De Beers geologists built during the evaluation phase of the project.

This work is now completed and the plant has been commissioned and is reaching normal operating throughput.

A production rate of about 35,000 carats a month is envisaged.

[Question] How far is the construction of the main recovery plant, when will it be completed and what is its capacity in terms of ore treatment and carats recovered?

[Answer] The main recovery plant will have the capacity to treat 3.3-million tons of ore a year and will produce four million carats a year.

The design is currently 55 percent complete and the construction work on site at this moment consists essentially of earthworks and foundation work.

The erection of structural steelwork is expected to commence early this year.

[Question] At a production rate of four million carats a year recovered from the treatment of 3.3-million tons of ore, how does Venetia rate on the southern African and world diamond scale?

[Answer] The Venetia mine will rate highly on the southern African diamond production scale but will be considerably smaller than the Australian, Botswana, Russian and Zaire production.

[Question] The life of the open-cast operation has been put at "at least 20 years." Have the economics of mining and the 12 other kimberlite pipes in the vicinity been investigated? If so, how many years could this add to the life of the mine?

[Answer] As has previously been stated, the feasibility study was based on a 20-year lifespan, although we hope it will be possible to extend the depth of the open-pit and hence its life beyond 20 years.

The other kimberlite occurrences in the vicinity have not yet been thoroughly investigated.

This work is scheduled to take place in the next two to three years.

It is not yet known how many additional years of life these could provide to the Venetia mine.

[Question] The existing Venetia orebody is said to consist of two kimberlite pipes—K1 which is 12.7 ha and K2 which is five hectares—which will be mined in a single open-cast operation. How deep will the open-cast pit extend and what equipment will be used to excavate, crush and transport the ore to the main recovery plant?

[Answer] The 20-year mining operation will take the K1 orebody to a depth of 200 m and the K2 orebody to a depth of 150 m.

The equipment to be used in excavating, crushing and transporting the ore has already been described.

[Question] Venetia kimberlite pipes are said to be up to 600-million years old which gives them a geological age five times older than Kimberley pipes. Does this mean that the quality of diamonds could be superior to those of Kimberley and if not, what are the factors which determine diamond quality?

[Answer] In terms of quality, based on the samples produced during the geological evaluation phase, the

quality of diamonds is similar to those currently being produced at the Finsch mine.

[Question] The target date for the commissioning of the main recovery plant has been set for mid-1992 with full production by the end of 1992. Is this timetable still in place or do you envisage any alterations to this time plan?

[Answer] The project design and construction progress is still consistent with the original target date for commissioning of the main recovery plant by mid-1992, building up to full production by the end of 1992.

At this stage, we do not envisage any alteration to this programme.

[Question] Could you briefly sketch the background which led to the decision by De Beers—taken virtually 12 months ago—to proceed with the development of the Venetia diamond mine project.

[Answer] The background which led to this decision was one of improved financial viability of the project.

As is well known, the discovery was made at the beginning of the 1980s but a decision to proceed with the mine was deferred for a number of years due to unfavourable financial factors.

[Question] Are there any other issues you would like to raise?

[Answer] One of the important issues which has received careful attention during the design and development of the project, is that of protection of the environment.

The Venetia mine is located within an ecosystem with a high conservation priority.

There are important archeological remains throughout the area as well as important species of flora and fauna; the area is one of extreme low rainfall and any physical disturbances to the environment are not easily rehabilitated.

Thus, many detailed studies have been performed by both local and overseas experts in order to determine the potential environmental impact of the project and to develop methods which will ameliorate and minimise these impacts and disturbances.

The development of the water supply up the Limpopo river is a case in point, and many months of work has been devoted to these studies and surveys.

Sophisticated computer modelling tools were used to predict impacts of water abstraction on the flora and fauna in this highly sensitive and extremely precious area.

An example of the measures taken to minimise impacts is the fact that the 32 km, 600 mm diameter pipeline, linking the Limpopo wellfield to the Venetia mine, has been buried throughout its length and its route was

determined after extensive investigations to select the most environmentally acceptable alternatives.

Full environmental rehabilitation procedures were identified by our consultants, implemented by our contractors and monitored by our environmental advisors.

A report which combines the results of all the environmental impact studies has been submitted to the council for the environment as is now required by the regulations promulgated under the Environmental Protection Act.

In addition, De Beers has taken this opportunity in line with its similar practices in other places, to develop a conservation area adjacent to the Venetia mine and to this end, has purchased a number of farms stretching from the Venetia mine to the Limpopo with a total area of about 30,000 ha.

These farms are being combined into a single conservation unit and it is intended that threatened species which have previously existed in this area will be reintroduced.

There are two other aspects of the Venetia mine project which are worthy of note.

These are our policies with respect to housing of our employees and our attitude to privatisation.

With respect to housing, we have developed a policy which will enable all of our employees to live with their families, either within their existing communities or within new developments being implemented within communities in the area.

This means that no one will be required to live single status.

Hostels do not form a component of our accommodation philosophy.

All employees, upon qualifying, will be given the opportunity to participate in the De Beers home ownership scheme and will be encouraged to do so.

With respect to privatisation, we are anxious that businesses and commercial enterprises within the area be given every opportunity to participate in the expenditures envisaged, both of a capital and of a working cost nature.

Thus the mine will be seeking contractors not only to perform the traditional building and construction services, but on an on-going basis, to provide transport for

our employees from the communities to the mine, catering, maintenance of houses and motor vehicles, cleaning, laundry and guest house facilities.

*** De Beers: Major Investment**

91AF0659B Johannesburg *ENGINEERING NEWS*
in English 18 Jan 91 p 21

[Text] Venetia—the R [rands] 1.1-billion new diamond mine situated at Alldays in the northern Transvaal—has been described as De Beers' biggest ever single mine investment.

At full production in 1993 the mine will recover over four million carats of diamonds a year from the treatment of 3.3-million tons of ore, and will employ 750 people over the mine's operating life of at least 20 years.

Most of the employees will be recruited in nearby Lebowa and will commute to work.

Skilled and management staff will be accommodated primarily in Messina.

The mine began limited diamond production during the second half of 1990 from the existing sample plant.

Completion of the R300-million main recovery plant, on which work is now proceeding, is expected in mid-1992.

The R1.1-billion capital expenditure figure exceeds earlier capital cost indications and reflects the significant increases that have taken place in the cost of new production capacity in the mining industry.

These increases in turn are attributable to inflation, the effect of lower exchange rates on the cost of imported machinery and the imposition of import surcharges.

Further increases have resulted from the adaptation of advanced technology to improve diamond recovery.

The Venetia orebody consists of two kimberlites "pipes," K1 (12.7 hectares) and K11 (5 hectares), which will be mined in a single open-cast operation.

The economics of mining other, smaller pipes in the vicinity at a later stage remain to be investigated.

Geologically, the Venetia kimberlite pipes are dated at about 500-million to 600-million years, which places them at a geological age about five times older than the Kimberley pipes.

The diamonds at Venetia are of medium quality and will be marketed through the Central Selling Organisation (CSO).

ANGOLA

* Secretariat Aids 600,000 Displaced Persons

91AF0517A Luanda JORNAL DE ANGOLA
in Portuguese 19 Dec 90 p 1

[Text] The Secretariat of State for Social Affairs (SEAS) is currently monitoring 600,000 persons displaced by the war, along with orphaned and abandoned children, according to a statement made by Jose Martins, the social assistant of that institution, on Monday [17 December] in Luanda.

Jose Martins went on to state that of this number, 500,000 are people displaced by the war, a figure that tends to go up significantly each year.

That official pointed to the destabilization actions perpetrated by UNITA [National Union for the Total Independence of Angola] as the cause of the growing number of displaced persons in the country, with women, the elderly, and children being the most affected segments of the population. He added that this year, SEAS has carried out two airlifts to the provinces of Moxico and Kuando-Kubango, transporting foodstuffs and other goods to its affiliates.

These operations were financed by ASDI-Sweden, the European Economic Community (EEC), and the United Nations Children's Fund (UNICEF.) The latter has increased its transportation fleet, stressed the source, who did not indicate the amount spent.

The transportation of foodstuffs to the provinces constitutes one of the biggest problems that the institution is facing, and in order to solve the problem, it is falling back on the use of airlifts with the financial backing of the above-mentioned organizations, Jose Martins added in an interview with ANGOP [Angolan Press Agency].

SEAS is facing problems in the area of material and human resources at all levels, which is making it difficult to accomplish the programs that it has worked out, he concluded.

To assist the displaced persons and the orphaned and abandoned children, SEAS is counting on aid from UNICEF, the World Food Program (WFP), the High Commission on Refugees (HCR), and from some countries, specifically Canada, Holland, Australia, Germany, and Sweden.

Some non-governmental organizations, such as the World Lutheran Federation, Save The Children Fund, Oxfam, and the Swedish Organization (ARO), are likewise supporting SEAS.

* Finance Minister Comments on Reforms

91AF0516D Luanda JORNAL DE ANGOLA
in Portuguese 23 Dec 90 p 2

[Text] "(...)The euphoria associated with the market economy originated among those circles interested in

issues involving the countries of real socialism, in the deceptions produced by the methods utilized in economic planning, and in the idea that the West's economic success is due to its free market. But what is ludicrous is that free markets do not exist anywhere in the world."—Adam Schaff, former member of the Central Committee of the Polish Communist Party.

Introduction

In the two previous articles, we paused to analyze the current question of the economic crisis confronting the countries of real socialism and the developing countries that have adopted models inspired by those existing in Eastern Europe.

The point of departure for our research was the characterization of the basic structures of capitalism and socialism, which we found in the types of relationships established between the producer and the means of production. In this respect, we examined the concept of economic system.

We also saw that economic systems have a mode of functioning, a type of coordination, and we distinguished two basic types of coordination: market coordination, and central coordination, specifically by the State.

The clear separation between economic type and mode of functioning permitted us to understand the extent of the changes that have already occurred in the capitalist system and those that are in the process of occurring in the socialist system and in developing countries of a socialist orientation. In our own country's specific case, we could conclude that the changes anticipated by the PSEF are centered around the Angolan economy's mode of functioning, making it more efficient and rational, but leaving the system intact.

Market and Plan

The PSEF, we have already said, is calling for the reinvigoration of the role of the market and a more efficient application of the law of value, within a framework of greater autonomy for economic agents who, independently of the form of ownership, must submit to the game of loyal competition.

But, and with our assertion that the PSEF does not change the type of economy that we have established to be correct, what would then be the role of economic planning, which is considered by most specialists to be an essential element of socialism? Would the PSEF be reneging on the theory that the socialist economy cannot develop spontaneously but must instead be consciously oriented toward collectivity, as a means of preventing crises and disequilibrium? In other words: what would be the role of planning within the framework of the PSEF and the Government Action Program?

It would not be too much, we suppose, to remember the role of the market in the capitalist system in order to

understand the phenomenon of resurrection (and its limits) in the "new socialism's" market.

It was already stated in one of the previous articles that the evolution of the capitalist system, particularly since World War I, reversed the assumption of the market's omnipotence as an automatic instrument to control and manage the economy. In truth, Adam Smith's and David Ricardo's assumptions in their theoretical construction ended up being negated by the evolution of the reality of the system.

Thus it progressed specifically from a multiplicity of small enterprises to monopoly and to oligopoly; from the setting of prices as a free result of the meeting of supply and demand, to the establishment of prices outside the market; from the figure of the firm's owner-proprietor to the "manager," or what is the same, from the reign of management to business planning; from the State's economic abstention to a growing state interventionism in economic life, which has culminated in public planning.

This evolution has engendered a progressively diminished role for the market as the sacrosanct and only "ex post" coordinator of the plans autonomously established by each economic agent, and the general acceptance of the need for planning, no longer as a spurious element, as an abnormal outgrowth of the system, but as an indispensable instrument for its survival and logic of functioning.

In truth, business planning—which arose as a consequence of the vast investments required by technological evolution, increasing company risk and making project rate of return calculations necessary—was followed, as its complement, by public planning, through which the State began to plan its activities as an economic agent, and to gather and process information, as well as formulate predictions on the course of the economy.

Clearly the rise of public planning does not alter the essence of the system which, as we have already established, lies in the separation of producers and the means of production, the latter being private property. Thus public planning can only be of an indicative nature, translating itself into a mere auxiliary of business planning. In the final analysis, the decision as to whether or not to conform falls to the businessman himself.

In socialism, planning becomes a "natural" component of the system, in virtue of the collective ownership of the means of production. From there it can be seen as an essential element of the system that allows control of the process of developing the economy in society's interest.

The path of planning in socialism is the opposite of that in capitalism.

"Thus, until now, the first phase of planning and management of a socialist economy has always been categorized by the methods of administrative direction and the administrative division of economic resources, based on

centrally established priorities. During this period, economic incentives were replaced by moral and political inspiration of the workers and by appeals to patriotism and the socialist conscience. It may be said that it involved a highly politicized economy, both with respect to the application of future instruments of planning and direction, and incentives for work" (Oskar Lange, "The Economics of Modern Societies").

This centralized and rigid formula of planning did not achieve its intended objectives anywhere in the world; it led to the creation of a ponderous and wasteful bureaucratic apparatus and great difficulties in adapting production to the needs of consumers.

Added to this squandering of resources was the lack of material incentives for the workers, which did not stimulate efficiency. In addition, financial equilibrium was maintained only with great difficulty, since salaries were growing more rapidly than the production of consumer goods, which caused inflationary tensions in the economy, a phenomenon that was theoretically considered foreign to the essence of Socialism.

In the face of the realization that the market could not be suppressed by administrative means, economic policies were being formulated to pull the economy back from the stagnation that followed upon the initial growth achieved under the administrative planning model. The NEP (New Economic Policy) became famous, conceived when Lenin was still alive in the USSR, an experience that could be considered pioneering.

The modern orientation tends not to deny private ownership of the means of production, reserving for the State only the levers of development (in the same way that, in capitalism, public property has arisen alongside private ownership of the means of production, resulting from the State's activities as an economic agent.)

On the other hand, planning, far from intending to cover the totality of the economic process (Oskar Lange tells us, anecdotally, that buttons and laces became scarce goods in Poland for the simple reason that in a certain period the National Planning Commission had forgotten to plan their production!) came to concentrate on the broad lines of development: the rate of growth and the direction of development.

An evolution in the methods of realizing the program was also observed: Along with the administrative means (administrative determination of the goods to produce and the goals to achieve, and delivery to the economic agent of the material and financial resources necessary to accomplish this) economic means began to gain ground, with influence placed upon the economic subject not directly, but rather through incentives.

Role and Function of the Program in the PSEF and PAG

The economic reform initiated by the PSEF and relaunched by the PAG, in response to increased economic efficiency and profitability, proved the need for alternative methods of administratively managing the economy.

Still, that did not mean defending liberalization "a outrance," with a complete freedom of enterprise, since the so-called self-regulated, spontaneous "free market" spoken of by Adam Smith and David Ricardo does not exist even in the capitalist system. If that did not happen in capitalist countries, all the more reason it could not occur in Angola, given the serious distortions and limitations the economy is still suffering.

In truth, there appears to be consensus that total "deregulation of the economy" would only magnify the distortions that already exist, particularly in the distribution of national income. Planning, then, will continue to be the foundation for conducting the development process. It is imperative that it be effective and flexible, so as not to again become, as in the past, an impediment to entrepreneurial initiative and a promoter of stagnation.

Along the lines of the evolution just described, planning should concern itself with such broad macroeconomic problems as "the determination of the objectives of economic growth, that is, the rate and direction of economic development (rate of growth of the GDP [Gross Domestic Product], sectors and regions to prioritize, etc., etc.); investment policy; foreign debt policy; changes in the cost of living and standard of living (rate of inflation and distribution of income)" ("Central Direction of the Economy—Its Organs and Function," Office of the Ministry of Finance).

As the study that we are reporting certainly recognizes, in addition to the medium- and long-term questions, which will be the subject of the National Plan, there are those of a short-term, operative nature, in the fiscal domain (for example, decisions on the total budget deficit, its forms of financing, fiscal policy, etc., etc.); monetary domain (for example, credit policy, interest rates, required reserves, etc., etc.); and exchange rate domain (for example, exchange rate policy), with agreement between the objectives of medium/long terms and those of the short term carried out by the annual financial planning.

This structure for the National Program would not stifle management's autonomy, a necessary (but not sufficient) condition for the state-owned enterprises to be able to face competition with the other forms of ownership, which will result in their increased efficiency and profitability.

In this respect, it is important to emphasize that we are on the verge of major decisions, within the framework of the formulation and imminent approval of the National Program, of the General Budget of the State, and the Variable Budget for the year 1991.

Competition and Unemployment

The economic crisis confronting economies modeled after those of the countries of real socialism appears to have achieved a perfect marriage between the ideal of social justice, insisted upon by the socialist project, and the objective of economic profitability, without which that ideal will never materialize, nor advance from mere intention to practical expression.

In truth, for the State to be able to implement a policy of subsidies and assistance, which above all protects the most vulnerable levels of the population, it must have available resources, its own and others. Its own can only be achieved if there is efficiency in the economic process; the others, earlier or later, must be paid back, and again we fall into the need for efficiency, without which the creditors themselves will not be disposed to advance the means, if they do not have assurance of reimbursement.

To resolve this critical drama, an operating mode has been chosen which will restore the role of the market which, as we have already said, is not entirely free, even in capitalism.

Through analysis of the evolution of the capitalist system, it is known that competition is not compatible with inefficiency, which is why firms shown to be incapable of following the requirements of technical progress (which results in increased productivity) are condemned or close their doors or are absorbed by others.

Hence the great concern throughout the country: what will happen with the inefficient firms, whatever their form of ownership? What will happen to the workforce laboring there? What will happen to the excess labor force when the process of resizing is put into gear? Finally, will we all recognize that the ideal of social justice will give way to the need to obtain profitability?

This is the current crisis of the Angolan economy.

For a long time we accommodated the shadow of an economy that, with the practical exception of the petroleum sector, has turned out to be purely speculative, and all of us are confronted with a undeniable and insurmountable reality: resources are scarce for so many expenses, particularly for protecting an enormous number of workers that has been increasing in a clearly overstuffed administrative sector of the State and in a business sector that does not produce wealth.

Resolving this crisis will entail social costs.

The Government Action Program, in a supreme effort to minimize these negative effects, calls for creating an unemployment subsidy, programs for converting the excess labor force, and a development promotion policy, the only way to create new jobs. In addition, it is agreed that the OGE will continue to subsidize, although in a more reduced number due to chronic revenue shortfalls, the economic agents that produce goods and services essential to the lives of the people. So long as there are resources to do so.

But let us not fool ourselves: there will be costs. And these, at a time of political restructuring, could always be exploited by enemies and adversaries, an occurrence that is not unprecedented but which is significantly easier in a country like ours, where there is not even a collective conscience of the seriousness of the economic and financial situation the country is suffering.

It is of no use, however, to keep regretting the heavy costs of a war that is a veritable black hole for resources and a source of stifling economic bottlenecks, nor is it of any use to lament the administrative errors that have occurred, or the excesses resulting from enormous corruption (the greatest evil, after the war, that the country is suffering, in the lucid view of His Excellency, the Chief of Government) and a mentality of squandering.

The time is ripe for action. And there are no serious alternatives in sight to the Economic and Financial Recovery Program and its relaunching, the Government Action Program.

* Minister Comments on Cunene Reconstruction

91AF0517B Luanda JORNAL DE ANGOLA
in Portuguese 19 Dec 90 p 2

[Article by Leonel Kassana: "Program Should Be Decentralized"]

[Text] The Angolan minister of construction, Joao Garcia "White Hair," said a few days ago in the City of Ondjiva that the reconstruction program in the Province of Cunene is going through the process of decentralization of projects created for that purpose. "Given the characteristics of the various municipalities of Cunene, which have been demolished by a war of racist aggression from South Africa, and the consequent advanced state of destruction of its real estate inventory and its access routes, it seems important to place the execution of these projects into the hands of the local governmental structures," stressed "White Hair" in an interview with JORNAL DE ANGOLA. The City of Ondjiva, the capital of Cunene, finds itself today in ruins, the result of the South African army's aggression, and the local authorities are thinking of transforming the center of the city into a war museum with the goal of creating a "historical city." The minister of construction likewise revealed that a shipment of materials, containing cement and sheet metal, among others, is already being unloaded at the port of Namibe, headed for Cunene, while bricks may come from Lubango. He added that for the implementation of the reconstruction program of that province, a small service-oriented company may be created for the repair area. In his opinion, the recovery of the ceramics factories, mainly those in the provinces of Benguela and Huila, would make it unnecessary, for starters, to look to companies in the capital city, as had been occurring up until now. Concerning the new strategy adopted for construction, the minister stressed that his sector plans to be just a guiding organization, monitoring the activity of several agents which, in the case of Cunene, may be

local or may be associated with other companies. Invited to address the question of the rehabilitation of the Lubango-Santa Clara highway, on the border with Namibia, in a project in which businessmen from that country are involved, the Angolan Government official affirmed that two commissions have been created to work just on the Kalueque Dam, where the process of formalization of some technical and bureaucratic questions is now taking place. He went on to report that he did not know the amount involved in the repair of the above-mentioned highway, which is increasingly important at a time when several plans are being tried to establish cooperation between Namibia and Angola in the economic sphere more dynamic. In fact, Namibia is planning to use that highway for its imports and exports through the port of Namibe, while rumors are increasingly insistent concerning the beginning of air links between the cities in the southern part of Angola (Lubango and Namibe) and Windhoek. The Cunene authorities, who are currently operating out of Xangongo (90 km farther inland), are planning to return to Ondjiva shortly, and some more optimistic opinions point to the realization of that objective this very year. This is not very credible due to the advanced state of destruction of the government buildings and dwellings.

Improvements in Supplies to Cunene

The authorities in Cunene are studying mechanisms to improve getting supplies to the people, with the introduction of so-called "free trade" which is going to lead to the abolition of requisitions and supply cards. Cunene's provincial director of commerce, Joao Fortuna, said that he plans to put an end to the current system that has made "trade more administrative, which is going to eliminate enormous disparities." The measure is likewise aimed at corresponding to the purchasing power of the people of Cunene who, now faced with starvation, are turning more toward trade, "because agriculture ceased to be the support of men here a long time ago." With consumer needs, according to Joao Fortuna, the government must ensure a permanent food supply from the province's mercantile fund. However, he stated that the criterion runs the risk of failing if expeditious mechanisms are not created to deliver products to the more remote sites in the province. Considerable quantities of rice, corn meal and sugar recently located in one of the trade warehouses in Ondjiva "waiting for the price," as JORNAL DE ANGOLA was able to find out on site, may give rise to some fears. The above-mentioned merchandise was imported from Namibia via BCA (Central Supply Base) from FAPLA [People's Armed Forces for the Liberation of Angola], and the market did not know how to sell it because it had no "price list."

More Food For Drought Victims

Meanwhile, 72 more tons of various foodstuffs were recently distributed to drought victims who find themselves concentrated in the localities of Alto-Bimbi, a municipality of Humpata, in a donation from the non-governmental Canadian organization World Vision

International. It should be stated that according to the most recent estimates, there are now more than 600,000 people in the Province of Huila either directly or indirectly affected by starvation and drought. An official source revealed to us that World Vision International is one of the nongovernmental organizations operating in Angola that has donated the most in response to the Angolan Government's appeal to come to the aid of the victims of the drought that has been raging in the country's central and southern regions for four years. However, the source did not offer any figures on the scope of these donations, but it is known that the Canadian organization plans to support more than 100,000 people in Huila alone who have been afflicted by the drought with more than 12,000 tons of food over a period of eight months.

Unionists Evaluate Activity

Also in Lubango, Huila's provincial secretary of UNTA [National Union of Workers of Angola] evaluated on Monday [17 December] the degree of execution of the tasks assigned to it throughout the present year, in a meeting presided over by its second ranking official, Manuel Filipe. The members of the provincial executive and municipal secretaries likewise analyzed the current cost of living, at a time when official statistics talk of salaries in arrears totaling more than 300 million new kwanzas for the workers in various companies established in Huila. The socialist emulation plan referring to the first half of the year which is about to end, the readjustments made in some departments, and the second UNTA convention were also on the agenda of that meeting, which by its conclusion worked out a plan of activities that, basically, plans to give another push to the union movement in the province in view of the present reforms

* Savimbi Discusses Negotiations, Future Plans

91AF0523A Lisbon DIARIO DE NOTICIAS
in Portuguese 4 Jan 91 pp 42-43

[Interview with Jonas Savimbi, by Antonio Ramos Andre and Joao van Dunem; place and date not given]

[Text] After 24 years of uncertain and dangerous waiting, Jonas Savimbi told DIARIO DE NOTICIAS that UNTA [National Union for the Total Independence of Angola] may be in Luanda legally before the end of this month. According to the Angolan rebel leader, this expectation is based on the results of the first high-level meeting between his movement and the Luanda government in Washington on 13 December. At the meeting, "there was an apparent atmosphere of friendship between the MPLA [Popular Movement for the Liberation of Angola] and UNITA delegations," in Savimbi's opinion. As we know, Lopo do Nascimento, a member of the Angolan Government party's political bureau, and UNITA Vice-President Jeremias Chitunda attended that meeting. For the first time, Washington and Moscow participated in the peace process with

high-ranking representatives. Also in attendance at the meeting were the under-secretary for African affairs, Herman Cohen, and Ambassador Yuri Youkalov, the head of the Department of African Countries in the Soviet Ministry of Foreign Affairs.

Portugal, which also mediated five rounds of negotiations in Lisbon, was represented by Antonio Monteiro, head of the office of the state secretary for foreign affairs, Durao Barroso. Less than 24 hours earlier, Jonas Savimbi and the Soviet foreign minister at the time, Eduard Shevardnadze, had met at the State Department in Washington. We are told that for Savimbi, it was a meeting "that confirmed that Shevardnadze understands the problem." The interview took place by telephone from Abidjan, during the brief layover of the UNITA leader on his return from Washington. Parts of the recorded conversation were transmitted by the BBC's World Service, with the knowledge of the interviewee. Jonas Savimbi does not now see any "major obstacles between UNITA and the MPLA." And he explains why: "The friendly atmosphere between the MPLA and UNITA delegations was evident. There were no more insults, and there was even comradeship. We managed to outline, in five principles, the parameters for negotiations between us. Namely, concurrently with the cease-fire, the MPLA should draft and promote the law of the parties. However, it is not recognition of UNITA that is essential now. It is recognition for Angolan political parties, all of them, including UNITA. We agreed that the MPLA should discuss the date for the elections with us. Because the MPLA says that elections will be held within three years, and all the delegations in Washington, including the Soviet delegation, believe that three years is a very long time. Our argument is that it is impossible to maintain a cease-fire that long. We also agreed that the national army should be formed as soon as there is a cease-fire. One more concession by UNITA."

[DIARIO] Do you believe that it was UNITA's concessions that paved the way for the progress made in Washington, in comparison with the five previous rounds of negotiations?

[Savimbi] We did not block any of the rounds, we have been making concrete concessions all along, and the Portuguese mediator knows this, and so does the MPLA. But this time, since recognition of UNITA was interpreted by our adversaries as an obstacle to the progress of our negotiations, we decided to retreat and so we told them that it was enough that they recognize other parties. Angolan political parties, with a guarantee that they can operate! The MPLA could not refuse. We also talked about the army. This is a serious matter, but if an army is going to be formed by UNITA and the MPLA under the auspices of an international body, then we feel that we could go along with this. I think that we have made more than six concessions, up to now. This is evident, and verifiable, and acknowledged by the Soviets. I think

that we greatly smoothed the way for our brothers from the MPLA, and we also made progress in the chapters that concerned them.

[DIARIO] What new factors were essential in turning the situation around and getting past the previous deadlock?

[Savimbi] First of all, we both, the MPLA and us, have become more realistic, and we realize that time is passing and that there is an opposition in Angola today. During the Third MPLA Congress recently held in Luanda, we heard that problems that had never before been raised in the MPLA were confronted head on. We believe that the MPLA is aware that the situation in Angola is deteriorating politically, militarily, and socially. I also think that the Soviet position in agreeing to enter into direct negotiations created an additional incentive for us to move a little faster.

[DIARIO] Dr. Savimbi, doesn't this also mean that the Angolans were not able to find a national solution, that they had to go to the superpowers to solve a conflict that is Angolan?

[Savimbi] I agree with you wholeheartedly. But I believe that we are all nationalists. The members of the MPLA are, and the members of UNITA are, and the people living outside the country are. But here we are dealing with specific problems—the cut-off of material aid to the MPLA by the Soviet Union and the cut-off of material aid to UNITA by the Americans. When we spoke with Minister Shevardnadze, he said that the Soviets would like the conflict to be solved rapidly and democratically. The Americans share this position. We do not need to feel humiliated because of this, it is the reality. When the MPLA says that it would like for Angolans to solve the problem.... The MPLA goes further, it has said that the cease-fire should be supervised by UNITA and the MPLA.... So we are such good boys that we have been fighting each other for 15 years! This is not realistic. Even Portugal needs the influence of the Soviets and the Americans to ensure that the process moves forward.

[DIARIO] Was Portugal influential in bringing together the Americans and the Soviets to prepare for the Washington meeting?

[Savimbi] No. When we went to Washington in October, we told Secretary of State Baker that we wanted the Americans and the Russians to be more involved in the negotiations, because we had the impression that all the rounds were the same. We also said that with that in mind, we would like to meet with the Soviet authorities and have them listen to us and to our proposals. The Americans too, if they wanted to, could meet with a delegation from the MPLA. That was in October, and we did not communicate with Portugal, we did not go through Portugal.

[DIARIO] Did the Soviets respond favorably from the outset?

[Savimbi] Yes. They did and they understood. I felt that the Soviets want to see an end to the conflict in Angola. They do not want it to end in three years, as the MPLA advocates. They want an earlier solution than in three years time.

[DIARIO] Dr. Savimbi, as the leader of a movement that has been opposed all this time to the Soviets in Angola, how did you feel when you were meeting with the Soviet foreign minister? Were you friendly towards him?

[Savimbi] Yes. But, as you know, in the past I was a friend of the Soviets, too. I was in Moscow, you know, and I know the Soviets. Thus it was not the first time that I have met face to face with a Soviet. He was open and friendly, and the meeting was not emotional on my part, because we were dealing with a politician whose career we have followed, whose speeches we have followed. It was a cordial meeting, for him an informative one, for me a confirmation that he does indeed understand the problems involved.

A "Very Rapid" Cease-Fire

[DIARIO] What are the specific prospects for the sixth round of negotiations in Portugal? A cease-fire?

[Savimbi] It is our desire that the Americans and Soviets continue to be more directly involved, because with only the Portuguese acting as mediators it is not working. It is not that we are against Portugal; on the contrary, we are the ones who invited Portugal to play the role of mediator and we would like it to continue to do so. But when we compare the results achieved in Washington with the five rounds, it is like day and night. Therefore, if we really want the process to pick up speed and produce results, it is essential that the superpowers be involved in it. This being the case, we hope that once the Luanda government examines the five points that came out of the Washington talks, it will endorse them—if it agrees with them, as its representatives did. If there are amendments to be made, they should be transmitted to the Soviets, the Americans, the Portuguese, and UNITA. I think it would be irresponsible of us to call for further rounds without first undertaking in-depth work, to make sure that we are going to discuss this or that aspect substantively. This time, I believe that the MPLA and UNITA delegations in Washington achieved that. Now we need to work on that document, and not the others. I believe that the other are not important any longer. As soon as we arrive at a conclusion, and are able to reduce the differences between the MPLA and UNITA, we can set the date for the sixth round.

[DIARIO] What are your expectations as to a cease-fire and when will UNITA be able to enter Luanda?

[Savimbi] Very soon. Because we have agreed that the cease-fire will take place at the same time as recognition of the parties and scheduling of the elections. At that point, on that same day, we will leave Jamba. Once the cease-fire is signed, political activities are open and guaranteed throughout the national territory. At that

point, UNITA will open its office in Luanda, as will all the others. Therefore, we do not believe that there should be a dead period between the cease-fire and elections. If we leave a gap between the cease-fire and political activities, we are running the risk that the cease-fire will be interrupted by military action once again.

[DIARIO] How long do you think it will take to do this?

[Savimbi] I think that the next round can take place in January. If the work I referred to is done conscientiously, the next round in January should end in a cease-fire. Why should we meet in January if we want a cease-fire in March? More work will have to be done before we can sign the cease-fire at the next meeting. I believe that it will take one month, or two at most. But UNITA wants to have this round in January, because I do not see any further obstacles of any importance between us and the MPLA. And I also sincerely believe that in nine months to a year after the cease-fire, we should have free, monitored elections.

UNITA Is "at the Center"

[DIARIO] The MPLA is beginning to define itself as a democratic socialist party. What ideological position is UNITA going to take when it comes time to participate in elections?

[Savimbi] UNITA defined its position a long time ago. We are a force of the center! This affair of social democrats has become all the rage today. We are not interested in this. UNITA is a center-left party. In domestic policy issues, we will fight for the disadvantaged classes, and particularly for the small farmers, but also for those who live in small towns and are in the lower socioeconomic classes. This is our calling. UNITA's emblem has democracy and socialism, but the Americans never asked us why socialism? UNITA is not in the least interested in changing. Since we were never Marxist-Leninists, we do not have to run away from any adjectives. With this claim of being democratic socialists, because this is the label that is selling well today, the party can in fact afford to risk the sector of its traditional support.

[DIARIO] There are people who believe that center-left is not only the area of UNITA, but it is also the area of the MPLA. Is that where it is?

[Savimbi] No, no, and no! The MPLA's area was the extreme left, and now the MPLA is turning to the right, but further right than UNITA.

[DIARIO] But since the MPLA's Third Congress, does it not appear that the political positions of UNITA and MPLA are very close?

[Savimbi] No, absolutely not. We are maintaining the same position that we had over 15 years ago. And we have not defined our position in relation to the outside world, but we have defined it in relation to Angolan society and its economic power. The MPLA is defining

its position in relation to what is happening outside the country. Because I know the MPLA very well, I know its organization. President Eduardo dos Santos is not going to have an easy time with the position that he is adopting, heading towards the right. He is going to encounter a great deal of opposition. This is going to weaken the MPLA itself.

* German Group Aiding Drought Victims

91AF0516B Luanda JORNAL DE ANGOLA
in Portuguese 14 Dec 90 p 3

[Text] The nongovernmental humanitarian organization German Agrarian Assistance [AAA] has donated 550 tons of millet to drought victims in Kwanza-Sul province, JORNAL DE ANGOLA learned today from a source associated with that humanitarian institution.

The institution, whose activities are confined to the distribution of various products to war refugees in the municipalities of Sumbe and Seles, have seen their activities involving an estimated 110,000 drought victims extended to the municipalities of Porto Amboim, Sumbe, and Seles.

Angolan AAA Representative Armando Salvador Correia has told JORNAL DE ANGOLA that the organization has approved a project known as "Ango-10" to confront the natural disaster (drought) affecting the region, with 63,434 people having benefitted in the coastal and subcoastal zones. In Seles, 37,612 people have been assisted, while in Sumbe only 25,822 people have received food assistance.

"The 550 tons donated by German Agrarian Action are not yet part of the donation to the drought victims. They were initially products destined for war refugees. However, in the face of the alarming problem of hunger caused by the drought, this institution had to divert them toward people affected by the natural disaster, most of them war refugees," the official added.

Armando Correia, also director of Angolan Action for Development, said that in addition to that donation, they intended to distribute 262 tons of millet, bean and peanuts to the 37,612 refugees and drought victims in Seles where it is believed there is a good chance of rain.

Also as part of the donation, German Agrarian Action has supported drought victims in the municipality of Seles with more than 400 articles of clothing (fabrics, blankets, coats, etc.), and 19,064 various working tools (hoes, machetes, shovels, sewing machines).

That humanitarian institution, which has worked in Kwanza-Sul since October 1986, owns a fleet of nine vehicles, five of them with an approximate capacity of 30 tons each, two with fixed 18-ton beds, and another two with six-ton capacity.

Until now, only 85 farmers have received supplies, which coincides with the exodus from the fields. But the official added that they are being sent resources to

resolve the situation. The current project was authorized by AAA and has Angolan Action for Development as its executor. Asked about a possible operation in urban centers in the areas affected by the drought, he emphasized that nothing is planned for the immediate future, and that giving that support to those centers "would not be consistent with the objective nature of our activities, and in addition, experience has told us that if we were to do that we would not be successful, even though we recognize that everyone should benefit from humanitarian activities."

It is to be noted that German Agrarian Action has already implemented four projects, specifically "Ango-4," "Ango-7," "Ango-10," and "Ango-19." In the municipalities of Seles, Sumbe, and Porto-Amboim, some 110,000 people are benefitting from the project known as "Ango-19," the first phase of which could be extended until March of next year, in conjunction with the project "Ango-10."

* Elf Aquitaine Director Describes Projects

91AF0519A Luanda JORNAL DE ANGOLA
in Portuguese 16 Dec 90 p 3

[Interview with Elf Aquitaine Director Fernand Poimboeuf, by Manuel Dionisio, date and place not given: "Fernand Poimboeuf: 'In 1995 We Will Exceed 200,000 Barrels per Day'"]

[Text] Elf Aquitaine has been involved in petroleum research, development and production in Angola for 10 years, as the operator in Block Three, but also as an investment partner in Block One. At the moment, it is negotiating a contract with Sonangol [National Angolan Fuel Company] for exploration in Block Seven. In these 10 years, Elf has invested more than \$2 billion and has discovered 14 fields with reserves of more than 110 million tons of crude oil; it is currently producing 160,000 barrels per day. JORNAL DE ANGOLA interviewed Fernand Poimboeuf, general director of the company, and learned that Elf's projects in Angola are expected to span a period of 30 years. We take this opportunity to be the first to report the discovery of another oil deposit in Block Three, which is discussed in the interview. We also talked about the company's relations with the Angolan people and a little bit about this administrator who has French-Angolan grandchildren and who already speaks Portuguese.

[Dionisio] Mr. Fernand Poimboeuf, I have been looking over this brief summary of Elf Aquitaine during its 10 years in Angola, and I get the idea—and the introductory note stresses—that they have been a successful 10 years during which Elf has had no problems and that everything has gone smoothly since its installation in Angola. Is this the case?

[Poimboeuf] Well, I would not say that we have not had a single problem. As you know, the conditions in the country are somewhat difficult, but we have overcome all the problems. Above all, we have been successful in

the exploration and production of petroleum and it is a fact that Elf Aquitaine's results are highly significant in this area—I would say better than those usually experienced in our industry.

[Dionisio] Elf appears determined to go on working in Angola, which leads one to suppose that the existing legislation regarding foreign investment in Angola is attractive to a group such as Elf.

[Poimboeuf] Well, we—Elf and the petroleum industry in general—are not covered by the law on foreign investment. Basically, we come under the petroleum law, which defines the rules of the game. This is complemented by the model contract for production sharing which has been used by the ministry and by Sonangol since 1979. This is sufficient incentive for the companies to make the large investments essential for petroleum production. We think the contract is balanced, but it depends on the negotiation of the economic terms, because the contract for production sharing is a general contract, within which the companies may negotiate some economic parameters, depending on how they view the possibilities for discovering petroleum and their estimate of production costs. So there is enough incentive for us to invest, but it is not so great as people might think.

[Dionisio] In the petroleum industry, what is the ideal period, a reasonable period, for recovering the investment?

[Poimboeuf] This is a difficult question; in some cases, if your exploration does not result in commercially viable oil finds, you never recover your investment.

This was the case in Block Six, where Total invested a great deal of money and had to abandon the project because it never found oil. Now, in that case, the investment was not recovered. In the case of Block Three, we can say that the recovery time is 10 years, more or less. We began to invest in 1980 and we only recently have begun to recover our investment on exploration, which was quite a large investment. We invested about \$400 million in the first phase of research.

[Dionisio] Did Elf just win a contract for exploration in Block Seven?

[Poimboeuf] Exactly. We are still negotiating the terms of the contract with Sonangol—the economic terms resulting from our competitive bid, but since these are 20- to 30-year contracts, the legal terms are still under discussion and I expect these will be completed shortly.

[Dionisio] What is Elf's share in Block One?

[Poimboeuf] We have a 25-percent share in Block One, but we have already finished with the research. We are now in what we call "areas of development," where some small discoveries have been made.

[Dionisio] In any event, can it be said that Elf is happy about these 10 years of activity in Angola?

[Poimboeuf] Certainly.

[Dionisio] Regarding the general plans for petroleum exploration and production in Angola, Elf is currently the second largest producer. What are Elf's immediate goals? Can it become the largest producer?

[Poimboeuf] Anything is possible, but it depends on the discoveries that we have made or will come to make. This year, which is almost over, we have made three discoveries; specifically, in "Cobo," then in "Pombi," and another one which has not yet been officially announced (but we expect to make the announcement shortly). We also have two test wells that are being drilled. Obviously, over the next few years we will concentrate our efforts on developing these oil fields, constructing platforms, and drilling producing wells. I am almost certain that by about mid-decade, in 1994 or 1995, we will exceed 200,000 barrels per day. The largest producer is also making an effort to increase production. I would like for us to be the number one producer, but this is a very difficult goal.

[Dionisio] How far apart are the number one and number two producers at this time?

[Poimboeuf] From what I know, Cabinda-Gulf is producing between 240,000 and 250,000 barrels per day and is continuing to invest in increasing production. At the moment, we are producing 160,000 barrels per day.

[Dionisio] In bidding on Block Seven, Elf is betting it will find oil there?

[Poimboeuf] Well, we can always hope. But we are never sure we will find oil. We do not know until we drill the wells.

[Dionisio] You spoke a moment ago about a discovery that might be revealed. Is it in Block Three, in the area where the existing wells are being developed? Do you think the discovery is commercial in nature?

[Poimboeuf] It is in Block Three, near the other discoveries, such as "Pombi," and near the "Bufalo" field. Yes, I think it may be commercially viable. We will drill now to verify the reserve, but I have no doubt that it will be commercially viable.

[Dionisio] The UNITA [National Union for the Total Independence of Angola] has given several warnings and has protested that Elf is in partnership with the government and in some way is helping it to obtain weapons for the government forces. In the present picture, in which the UNITA will probably become a political party and compete in the elections, is Elf not worried about its future relations with the UNITA?

[Poimboeuf] The company's position is very clear on this issue. I do not think we could take any other position. We work with the legal authorities in the countries where we operate. If there is another government tomorrow, the company policy will be the same. We are not here to engage in politics, but to invest, to find and produce

petroleum, to earn enough to recover our investments with a certain amount of profit and to pay taxes to whatever government is in power.

[Dionisio] How much did Elf pay last year in taxes to the government?

[Poimboeuf] Strictly speaking, we do not pay taxes; under the terms of the contract for production sharing, some of the oil goes to Sonangol. So we can say that the contract's economic benefit to Angola in the form of taxes [as published] and in the form of oil that goes to Sonangol will come to more than \$400 million this year and will increase rapidly in 1991, because, under the terms of the contract, the percentage that goes to the government increases over time.

[Dionisio] Elf is also involved in other areas that are not precisely within its public objective, which is petroleum exploration and production. Elf is also engaging in other types of activity, such as cadre training. It seems to me that Elf's commitment in Angola goes beyond merely commercial goals, if I understand correctly from all the initiatives that it is undertaking in the cultural area, in the field of cadre training. Would you care to comment?

[Poimboeuf] In the petroleum industry, we have very long term investments in research and production. That is, we are not a commercial company, but an industry. A commercial firm sells a product, receives the money, and can leave at any time. We are very deeply committed in your country. Once we find petroleum, we will be here for 20 or 30 years, perhaps longer. In other words, on the one hand, we want to continue with the research activity, which is the only way for a petroleum company to ensure its future. Every year we have to find as much petroleum as we are producing; otherwise, the company could not remain in existence. On the other hand, any long-term presence in Angola depends on maintaining good relations with the government and the people.

With every passing day, we feel a little more like Angolans and a little less French. So we are becoming more and more engaged in the social and humanitarian area. Given the current living conditions in the country, we have to try to ease the suffering of the Angolan people. So we are working on behalf of the orphans in Kwzola and also in the health field.

[Dionisio] Personally, how does Mr. Poimboeuf see himself today? You already speak Portuguese. What is your relationship with Angola, with the Angolans, with this land?

[Poimboeuf] I think I am a somewhat special case, to attempt to speak Portuguese. I do not know if I speak it well, but I have the impression that I am understood. I feel happy in Angola and I even have a daughter who was married here. I have two grandchildren—a boy and a girl—who are half French and half Angolan. I think I have a somewhat special relationship with the country.

[Dionisio] In 1985, Mobil gave up its partnership with Elf in Block Three. Why?

[Poimboeuf] They explained that it was an economic decision. It is known that there are many problems in the United States; there are companies trying to buy other companies, as Gulf was bought by Chevron. Mobil was having financial problems and decided to sell off some [assets] to reduce its debt. That was the explanation they gave.

[Dionisio] Apparently Elf is preparing to update the technology it is using in Angola.

[Poimboeuf] We always use the latest technologies when they will produce better results. Last year we drilled the first horizontal well in Angola, with technology developed by Elf, involving several computers, especially in the area of seismology. We have a center here for the interpretation [of data] which is the latest model in existence. We are relying more and more on automated systems, in the construction of platforms and in production control. Let us say that the company is utilizing the new technologies as rapidly as possible.

* 6,000-Ton Cotton Harvest Predicted

91AF0517C Luanda JORNAL DE ANGOLA
in Portuguese 20 Dec 90 p 2

[Text] A note from the Agrarian Development Institute which was distributed in Luanda indicates that 6,000 tons of cotton seed, which is the equivalent of 2,300 tons of cotton fiber, is the production predicted for the 1990-1991 campaign of the cotton program.

According to the note, the value of the cotton seed is figured at 306 million new kwanzas, and for the present campaign, 11,459 hectares are planned in the provinces of Bengo, Kwanza Norte, Kwanza Sul, Benguela, and Malange.

In the same framework, nearly 6,000 hectares will still be prepared for growing corn, likewise in the cotton-growing municipalities.

According to the note from the Agrarian Development Institute, the preparation of lands that it already had is under the responsibility of ENAMA [National Agricultural Mechanization Company] and of some private individuals who own tractors, while for the areas reserved by the peasants, the EDA's [Rural Development Stations] will celebrate contracts with those entities.

Nearly 458 tons of seed is the quantity necessary for the present campaign, which will be guaranteed by Angosementes or its representatives in the provinces.

The factory in Catete where the cotton is ginned and pressed has already gone into operation with the cotton for seed, after having gone through a long period of inactivity due to technical reasons.

Meanwhile, approval was received this year for the rehabilitation project for cotton production in the municipality of Porto Amboim, which has financing from Caisse Centrale.

The value of the credit is 27 million French francs, which is earmarked for the acquisition of tractors, means of transportation, and other equipment, as well as supplies and other equipment, as well as supplying water to the people and the acquisition of consumer goods to support marketing.

The same amounts are further earmarked for construction and fitting out of a residential center for technicians involved in the cotton program and the repair of facilities at the cotton gin factory in Catete, in addition to technical assistance and training of cadres.

A study will also be done on the cotton gin and press unit in Porto Amboim aimed at its restoration.

* Kwanza-Norte Socioeconomic Situation Examined

* Necessity of Food Aid

91AF0520A Luanda JORNAL DE ANGOLA
in Portuguese 19 Dec 90 p 2

[Article by Isidoro Natalicio: "Kwanza-Norte Received Important Food Donation"]

[Text] Ndalatando. As part of the WFP's [World Food Program] "3045" project, which has been in operation in the country for some time, is valued at \$8,701,278, and is dedicated basically to contribute to the development of orphanages, kindergartens, and PIC's (Community and Children's Programs). Kwanza-Norte Province received 250 tons of sugar, 1,512 liters of vegetable oil, and over 2,000 tons of rice this year, in response to local needs.

These products, added to others such as bread, milk, perishables, and vegetables and fruits purchased locally, have gone to five children's centers in Dondo and Ndalatando and to PIC's. The number which have benefited from this aid is extremely small, because their expenses have not been financed by the general government budget (OGE), since many of their shareholders live only on food incentives. From a different standpoint, this situation also reflects the relative insensitivity of many fathers and mothers who have little or no interest in the socio-community education of their children.

Moreover, in the PIC's, the children receive preschool education (mathematics, Portuguese, natural sciences, and music, depending on their age), and there is also maternal education, and free and directed productive activities (planting, irrigation, etc.). These are activities that can be conducted in simple and even modest places such as porches, decks, etc.

The children's centers are also facing difficulties; the one in Ndalatando, for instance, with a capacity for 100 children, has had a shortage of drinking water for over six years, and because of the sharp drop in food supplies, it has only about 80 children ranging in age from birth to five years. As an example, during the year the local commercial office provided only four containers of milk.

"We serve three meals a day (breakfast, lunch, and supper), with a "per capita" of 25 grams of meat, 20 grams of beans, 180 of rice, and 10 grams of sugar" according to Isabel Gouveia, head of the Children's Department in the local Office of Social Affairs. She also reported that the center had nine competent elementary school teachers and that the educational material is supplied by the Ministry of Education.

The Kambambe center is coping with various problems, including a shortage of cadres and a poor location. The other centers in the province are not operating because of the difficult political and military situation. Medicines are provided on the basis of what is available locally (currently the supply of medicines is in a relative state of crisis in the province).

Shortage of Fruits and Vegetables

Despite the fact that it is primarily agricultural, the population of Kwanza-Norte Province is suffering from hunger and, as incredible as it may seem, the shortage is mainly in farm products, such as fruits and vegetables, eggs, meat, etc. Because of this, many of the fruit shops, even though they still have the same signs up, have been converted to units of artisanry (shoemakers, dress-makers, etc.).

People interested in inverting the pyramid have always existed, but what was always missing was an incentive from the people in power, "as agriculture is the basis of economic development, according to the Angolan party and government, guided by the laws in force.... Destitute farmers have been asking to receive this support that the president of the Republic has defined in the decrees that have been published."

This is the message that farmers in the Pamba area of the municipality of Lucala conveyed during a recent visit to those green fields by a high-level delegation from the province, that comprised the agrarian policy secretary of the Provincial Party Committee, the deputy provincial commissar for economic and productive matters, members of the Provincial Supply Committee, and other local officials.

A core group of farmers in that region said that their main needs were guaranteed access to basic consumer goods, incentives for crop and livestock production, and a fair correlation between the prices for the farmers' products and consumer goods and means of production, among others.

"At this stage products need to be handled well for a good harvest; workers need clothing, food, blankets, and

other essentials. We know that these goods exist in the province, but up to now they have not found their way to the green belts," reads one passage of this message.

Meanwhile other shortages were also pointed out, mainly shortages of machinery, vehicles, and ancillary materials, such as rolls of fencing, bricks, and galvanized metal sheets, among other things.

The deputy provincial commissioner for economic and productive matters, Jeronimo Gonga Cassule, asked to make a statement on the results of the visit, said that the office was pleased with how the work was being implemented, and later on asserted that "the questions raised will be remembered and they deserve a proper response. There are some problems and so everything that was asked for will not be granted immediately, but we will be sending some aid in a short time."

In this context, Gonga Cassule reported that food and clothing could be sent immediately to the rural areas, and that the transportation problem will also be solved, judging by the shipment of two IFA vehicles to the municipality as part of the emergency program for marketing in rural areas.

After a brief explanation of Decree 33/90 promulgated by the President of the Republic, Jose Eduardo dos Santos, he said that some of the concerns that had been voiced, such as the need for tractors and motorized pumps, could be solved next year under the social impact program, but that this was totally dependent on the availability of foreign exchange in the country.

The Pamba green belt is limited to an area of only 50 hectares under cultivation, out of over 100 hectares, with a soil that has proven to be very fertile for agriculture. In colonial times, it was used mainly for growing rice, that fed most of the people in the province. Vegetables are currently being grown during the season of light rains, and grains and tubers during the heavy rainy season, as well as permanent crops.

Even if human resources were able to meet the demand, the agricultural and technical assistance provided by EDA (Agrarian Development Station) has not been entirely effective because of a shortage of rolling stock.

* State Sector Restructuring

91AF0520B Luanda JORNAL DE ANGOLA
in Portuguese 21 Dec 90 p 2

[Article by Isidro Natalicio: "Shaking off Economic Lethargy with the Reform of the Government Sector"]

[Text] Ndalatando. Overall, the process of paring down the government enterprise sector as part of the ongoing economic reforms did not register any significant advances in Kwanza-Norte Province during the year. This situation is attributed to a series of difficulties, including management errors and some disorganization.

In the context of the "restructuring" of the government business sector, to be done from three angles, namely transfer, operation by lease, and nationalization of units, the lack of timely statistical data and the dispersion or poor maintenance of projects, among other factors, hinder certain actions, such as evaluation of start-up funds, economic feasibility studies, and legal issues, which are all "sine qua non" components of this process.

Some sectors, namely commerce and industry, although moving slowly, have made some progress. In the industrial sector, for instance, small units, and specifically those using a rudimentary technology, are going to be turned over to the private sector. Thus, economic feasibility studies conducted up to now have led to the transfer to private economic agents of bakeries, carpentry shops, and metal working shops, among others.

Textile Interests

As for the medium-sized and large enterprises, attention has been focused on the "Comandante Bula" textile complex located in Kambambe municipality. It is turning a mediocre profit, since its equipment is completely obsolete and it is also short of inputs and capital. For these reasons, it is operating at only 30 percent of its installed capacity, which is 6,000,506 square meters of cloth a year.

The enterprise has already been put up for competitive bidding, and the British holding company Tritex and the Portuguese company Euro-Atlantica have already sent their statements of intention to the Foreign Investment Office (GIE). The objective is to make them partners, with a majority of the capital to be Angolan.

In the commerce sector, the approximately 50 shops existing in the region have already been transferred to private agents, and the government has maintained a monopoly only over the wholesale trade. As for the hotel units on which bidding has been opened, they are the ones located in regions affected by the war.

There are, however, studies recommending that the enterprise Emprotel, a giant on the local scene, be abolished and that the majority of its units be taken from it, so that the government organ would only oversee the hotel industry in the region. All the butcher shops and fisheries are also being privatized, while the government is temporarily handling most of the invoicing.

Salvaged Farmlands

Turning to the agricultural sector, which has always been the basis of the country's economic development and never credited with it, the only three government enterprises—the Camabatela Cattle Complex, the Pineapple and Maracock Enterprise, and the Kamuachi Poultry Breeding Enterprise, which are in fact in critical condition, will be turned over shortly to the private sector.

The Cattle Complex has only 200 head of cattle left out of the 30,000 it used to have, and they were transferred

to Negage municipality for reasons of military security. It is facing problems of management, plant disease, and specific technology. The Pineapple and Maracock Enterprise, covering 70 hectares of fertile, nonirrigated land, is lacking in virtually everything, while the poultry farm, which has been neglected for a long time, has two structures (with one more to be completed) with a capacity for 8,000 chickens, but they have a shortage of young chickens, vitamin supplements, preventive medicines, etc.

In the opinion of the experts at the Planning Ministry, the Mucozo enterprise, which has an estimated 100 hectares of land, 20 of which are irrigated, should become a semi-public enterprise, with the government in charge of the irrigation and drainage systems and technical assistance, and the private sector in charge of cultivating the land.

In another agricultural sector, coffee growing, the competitive bidding on the national enterprises showing a deficit will give priority to the workers in the sector. The situation of the only three enterprises is as follows: Ambaca I, with 7,200 hectares of land, has only 270 under cultivation; Kikulungo has 427 hectares planted, out of a total of around 15,000; and, Ambaca II is cultivating only 620 of its 3,252 hectares.

ETP To Be Maintained

In the transportation sector, privatization will be furthered with the transfer of the technical driver's education school to take place shortly. Only 60 drivers of the 180 who registered in the recent past have been trained.

In the area of technical maintenance, the enterprise Manauto-60, a firm that sells auto parts and services IFA-make vehicles, will remain a government enterprise, but it will encounter competition from an office of Stand Nacional Neto, which will market parts for vehicles other than IFA's.

Meanwhile, the transport of various merchandise and passengers will basically be provided by private transportation companies and by ETP [Public Transport Enterprise], which, against all predictions, will remain in the government sector. Virtually the entire fleet of this enterprise is inoperative, and vehicles that are too expensive to repair will be scrapped. It will only operate locally, and to this end agencies will be set up in all the municipalities in due time.

Interprovincial transportation will be provided by the Luanda railway, that links three cities in the province, and by highway enterprises located in other provinces and used to operating there, such as Transnorte; these enterprises will be contacted in the near future.

However, these enterprises and even the local transport agencies will have to cope with the deplorable condition of the 85 kilometers of paved road that links the city of Kambambe (Kwanza-Norte) with Catete (Bengo), and

that is regarded as the source of breakdowns by people knowledgeable about roads in the region.

Controversial Adjudication

Because of the failure of the engineering works enterprise under the Construction Ministry to maintain the roads in operable condition, a study on establishing the National Angolan Roads Institute (INEA) is already in advanced stages. This will be an administratively and financially independent agency, which is in keeping with the extensive process to pare down the size of the construction sector.

However, the sale by competitive bidding of the ceramics industry, and mainly Dondo Pre-bloco, is controversial and may possibly benefit the firm "Rodrigues e Rodrigues," located in Luanda. This company has a production capacity of 8,000 cement blocks a day. Lucala's Ceramica de Tijolos [Clay Bricks] enterprise, which is currently producing 3,000 units an hour, possibly as a result of the astronomical cost of refurbishing it (54 million new kwanzas), is looking for interested bidders.

Construction of 60 housing units under the regional development program and the completion of some small- and medium-scale projects will be opened for bidding by leading foreign firms, including Soares da Costa, Teixeira Duarte, and TETRA, among others. When this is done, the Buildings Nucleus attached to the construction office will automatically be abolished. The company that wins the bid will absorb the labor force, and will agree to sell to the workers the existing technical resources.

Figures Involved

In the meantime, the prospective major readjustment involved in the Government Action Program should increase the production of essential goods to meet domestic demand, and from a broader perspective to reduce the country's imports. In this context, there is a need for credits for investments, mainly for amortization to offset the high degree of depreciation and the variation in stocks.

Thus the commercial sector has guaranteed for the next few days resources amounting to \$75,000 for the development of hotels, and another \$85,000 for other commercial ventures. However, the harmonious development of trade will depend basically on the position of the Agriculture and Industry Ministries.

For instance, in reference to the exchange ceilings assigned to Kwanza-Norte Province, the "Bula" textile complex located in Dondo has been waiting for a long time for licencing for \$75,000 for the partial rehabilitation of its depreciated fixed capital. The Xarrama factory, that produces plastic articles at the rate of 1,000 pieces a day, requires assistance budgeted at \$245,000 to acquire specific inputs for the manufacture of footwear,

buckets, and other items, since it may have the financial capacity to acquire a manufacturing line.

According to studies drawn up by the Portuguese firm ARSOP, the EKA brewery needs \$4 million to produce 25 million liters of beer a year.

The country would save at least \$8 million annually.

Imports of mineral water would be reduced if greater efforts were made to repair the filling line of S. Isabel mineral water in Ndalatando, with financing on terms already guaranteed by France's Central Economic Cooperation Fund (CCCE) for an amount of 17 million French francs. With the prospect of producing four million bottles (with a 1.5 liter capacity) a year, the country would reduce imports of this product by about 50 percent.

Moreover, in view of the fact that it is predominantly agricultural and with a view to spreading scientific research and increasing coffee production on a large scale as a source of foreign currency, the Kilombo botanical center will be converted into the School for Coffee Growing and General Agronomy. After repeated failures, projects for this purpose, calculated at 2 million new kwanzas, are scheduled for 1991, and \$15,000 have already been guaranteed by the Indian Government.

The transportation sector also has some ambitious investment projects. The Portuguese firm UTIC will rehabilitate Manauto-60 in an 18-month period. This priority activity is budgeted at \$963,000 and is designed to train cadres and repair at least 100 of the 200 IFA vehicles existing in the province. The investors' dividend rate has been fixed at 2 million convertible new kwanzas a month.

The ETP enterprise received funding in the amount of \$10,000 and ordered a shipment of parts that will enable it possible to repair three of the more than 15 damaged cars. In the context of imports of local subordination, an additional \$5,000 was received. In this same area, as part of a central subordination program the value of which is unknown, the telegraph network in Ndalatando will be repaired, the post offices will be reequipped, 400 telephone lines will be installed as part of the second phase of the construction of the Ndalatando telephone exchange begun in 1987, and a satellite for peaceful purposes will be mounted under the Angosat project. In connection with this last project, French, British, and Portuguese experts have already visited the region on two occasions.

For the construction sector, only 4 million convertible new kwanzas were made available, and in view of the small amount involved, it will be used to purchase materials, and mainly electrical materials, bathroom fixtures, and light tools.

With the impending prospect of peace in the country, it is urgent to reflect on other economic potentials in the province. For instance, efforts should be made to extract

20 million tons of iron ore already discovered during the colonial era in the Kassala/Kitungo region and to work the marble mines in Kiangombe and Zanga, and cotton farming should be promoted.

* Education in Crisis

91AF0520C Luanda JORNAL DE ANGOLA
in Portuguese 20 Dec 90 p 3

[Text] Ndalatando. According to today's subsistence arguments, education and teaching are the primary social virtues, since their aim is to cultivate and advance people's intellectual abilities and create confidence in them and provide for their socio-community transformation.

The process of education and teaching in Kwanza-Norte Province is going through a critical period judging from the glaring shortage of schools and classroom furniture, management, and teachers, which is completely out of line with the explosion in school-age children since national independence.

Many teachers point to pedagogical and scientific deficiencies, and to the fact that their conditions are poor; they are incidentally regarded as the neediest ones. The only worthwhile privilege they enjoy is the ability to postpone their military service. There will not be quality education in the province and in the country in general until this problem is overcome, since it is a bilateral process (teacher and student), with the student being the agent and the subject.

Moreover, society is highly disassociated from education, since many if not most of the people in charge of education have not followed the educational development of the students they are educating, since they are barely in contact with the school material within the school circuit (classrooms). Meanwhile, Kwanza-Norte's provincial official in charge of education, Anselmo Kapemba, recently reported that the region currently needs about 200,000 notebooks to improve the situation. This situation is attributed to the wrongdoing of a certain segment of the population that is stealing the school materials.

However, under a specific program designed by the local government, the enterprise EMAKU at one time supplied some wood to build school desks, but most of it proved to be in an advanced state of rot. Some of it was given to some individual carpenters who up to now have been unable to respond. However, a source attached to the Provincial Commissariat disclosed that 80 desks are being made for a school in the city of Lucala that has been under construction since 1980.

Even though work is extremely slow, there is a program underway to apply bars, locks, etc. to the doors and windows of the schools. However, the process of rehabilitating this infrastructure depends on the expeditious operation of other agencies, and mainly Construction, Transportation, Commerce, etc. The program to build

elementary schools came to a halt a long time ago because of a shortage of galvanized metal sheets and a lack of real interest on the part of the people.

The school canteens are not operating because virtually everything is lacking, including food, butane gas, and water.

The laboratories also have problems. In addition to having been installed in unsuitable premises, they are short of chemical reagents, water, and staff.

All these problems were to some extent at the source of the notable failure of the 1989-90 school year, when only 17,516 of the 40,956 students registered graduated on to the next grade. The 1990-91 school year, which began between September and October with 49,980 students registered, has started out with structural innovations, mainly in the middle schools, where ten teachers are needed to teach chemistry, mathematics, physics, and languages.

In the upper grades, the PUNIV [expansion not given] category for workers was eliminated from the plan, with only the semesters to be completed prevailing, since they began during past school years. IMNE [expansion not given] has for a long time only been enrolling cadres in education or those people who promised to work in the sector in the future. That means that all those students who want to pursue their studies locally will be forced to abandon their present jobs or trades to become teachers in the future.

* Training Center for Fisheries Sector Described

91AF0516C Luanda JORNAL DE ANGOLA
in Portuguese 20 Dec 90 p 3

[Text] Since its founding in 1982, the Center for Professional Fisheries Training (CEFOPESCAS) has trained 424 basic technicians in various specialties in the sector. Assistant Director Miguel Kiame told ANGOP [Angolan Press Agency] in Luanda some days ago.

The center has already administered seven four-semester courses and trained 161 fisheries experts, 99 assistants/drivers, 48 naval electricians, 77 freezer specialists, 29 electronic technicians, and 10 fisheries administrators.

"In addition to receiving professional knowledge during the course, the students also study general disciplines according to programs outlined by the Ministry of Education," said Miguel Kiame.

After the four initial semesters, the students have a one-year internship in companies involved in the sector and only then are they granted the respective certifications, he added.

There is an "initial training" that is given to youths coming directly out of secondary school with no professional experience.

The "permanent training" consists of technical problem-solving and the requalification of workers who are presently practicing and need this to fulfill the requirements stipulated by their companies.

The cadres trained in Cefopescas have contributed significantly to the country's becoming self-sufficient in human resources for the fishing industry and the substantial increase in the volumes of their output.

Because of the lack of fisheries trainers, the Center resorts to Angolan cadres with intermediate technician training, who are given a supplementary training.

The Assistant Director also added that at the center there is already a plan for training Angolan teachers, who will soon completely replace the foreign assistants.

That is how ten Angolans were trained in Sweden in mechanics, naval engines, refrigeration and naval electricity, and nine others are now studying in Brazil to specialize in fishing and navigation.

Meanwhile, four will soon go to Portugal to study mechanics, naval engines and re-tooling.

Located in the community of Cacuaco, 16 km north of Luanda, and with a 300-student capacity, Cefopescas operates with technical assistance and financing from the Swedish Authority for International Development (ASDI).

Miguel Kiame informed us that ASDI essentially finances the contracting of foreign technicians and the acquisition of various pieces of equipment for the integral functioning of all the specialties in that center.

With 11 foreign teachers, 12 Angolans in general disciplines and another 10 in technical positions, Cefopescas this year has already spent 25 million Swedish kroner and 77 million new kwanzas in salaries, subsidies, donations, and other activities benefitting the center.

*** Commentary Discusses Economic Planning for 1991**

91AF0517E Luanda JORNAL DE ANGOLA
in Portuguese 9 Dec 90 p 2

["Personal Opinion" column: "Market Is Still an Aspiration in Our Country"]

[Text] The Government Action Program is just beginning. We see two phases in prospect for this program, which are obviously intertwined: one being short-to-medium range, which is the stabilization phase, and the other being medium-to-long range, which is, properly said, the structural adjustment phase. I can say that even with regard to the stabilization phase, up to this moment we have only taken steps that constitute preconditions for the introduction of the real stabilization measures. However, if people were thinking that the change in the currency was an end in itself that was going to solve all the country's problems, then people had the wrong idea.

It was considered to be and is a precondition for the application of the other stabilization measures.

These measures are going to be taken within the context of the National Program and the General State Budget for 1991. We consider 1991 to be the first year of our stabilization program. But it is clear that the program for 1991 is integrated into a wider context that is in preparation, which is the structural adjustment program. And that will have a medium-range timetable, something like five years. But it is still being worked out.

I stress that the 1991 program will already contain the principal stabilization measures, that the change in currency was the beginning of the process, that no one expects to solve the country's problems through the change in currency, and that the objectives that are expected with the Government Action Program are those that appear in the program's document itself. That is, essentially, appreciation of salaries and restarting productive activity.

Obviously the comrades can ask us if this is possible in a war context. For the time being, the war is a given that is imposed upon us. There have been some difficulties in terms of negotiations with UNITA [National Union for the Total Independence of Angola], the Angolan Government is firmly engaged in a program to pacify the country, to reestablish peace, and what is being witnessed is that in fact UNITA is placing itself in a position of not accepting the peace for which the Angolan Government is struggling at this moment. Therefore, the war at this moment is a reality that we have to take into account, but we also cannot wait for the end of the war to launch our stabilization program. With peace or without it, with UNITA hostility or without it, our stabilization program is really going to be in its entirety and therefore, the objectives stand. I repeat: appreciation of salaries and restarting production.

We are arriving at the conclusion—and the Second Congress had already verified this—that planning activity in the People's Republic of Angola was not based on the model most relevant to our reality. Our management system was too administrative and bureaucratic, and the type of planning inherent in it suffered from the same ills. It was too centralized, the National Program was too detailed, and, above all else, there was no compatibility between planning on the physical level and financial planning. Suffice it to say that the General State Budget was generally approved before the National Program, and there was no relationship between those two basic documents. We are intending to set up a planning system that will be more relevant to our reality, where centralized usage of the instruments that regulate the economy will be essentially foreseen, that is, the usage of policies in the various areas, whether in the budgetary area or in the area of the exchange rate, rates of interest, fiscal policy, etc. Therefore, the centralized usage of those instruments (which are no longer instruments of

administrative-type management, but are rather instruments of an essentially economic character, with planning at the material level, which, although not in a detailed way such as was done in the past, will obviously have to be maintained. We think that this can be achieved through much better coordination between the Ministry of Finance or the Ministry of Planning or (and this is a question that should be posed in the appropriate forum) the very integration of services inherent in planning that now exist, whether at the level of the Ministry of Planning or at the level of the Ministry of Finance. This hypothesis is not being set aside and is being faced with great seriousness.

Obviously the plan will not be so detailed. A basic part of the plan will have to be sketchy, the question of investments in the public sector will be essentially imperative, but all the remaining parts of the program should be basically sketchy, not detailed, but calling for the centralized use of the so-called regulating instruments of the economy.

Well then, is it possible to have planning in a market economy? Yes it is. We have to be aware of the fact that the market is still an aspiration in our country. The market is not sufficiently developed at this phase to be able to regulate economic activity all by itself. For this very reason, we are saying that our objective is to set up a regulated market economy. This means one that will also regulate the activity of the market itself. This means that, basically, planning has to keep in mind the existence of the marketplace and the functioning of the laws of economics, but we must also shape that reality, we must regulate that reality. That is what a regulated market economy is.

But how shall we shape this reality? From where does this regulation originate? From that which at the beginning I called indirect economic regulatory instruments, that is, through currency-exchange policy (therefore, from the determination of exchange rates, and not only that), from the budget policy, from the usage of a very powerful instrument other than interest rates, etc. This means that there are elements that regulate the market. The market does not appear as something autonomous, it is somehow regulated, but it is not regulated in a direct administrative manner, as in the past. It is regulated through the utilization of these indirect instruments.

And we are finding that our planning has to express this reality. It has to foresee the utilization of these economy-regulating instruments, and in this phase, it also has to contemplate something in the area of the real economy, specifically with regard to investments. Planning is a mixture of all this. It will be essentially sketchy, with the exception of the part related to planning of public sector investments. It will be sketchy because it is not possible to forecast in detail nor in an absolute way the results of the activity that will result from the utilization of these indirect regulatory instruments.

Our plan for 1991 will already express this reality. I would like to say, however, that the application of this model cannot be accomplished all at once. At this time the market constitutes a way to regulate the economy but it is still in its very beginnings.

However, this transition will have to be accomplished in a gradual manner. Otherwise, we would fall into total economic anarchy. It is perhaps this that some comrades sometimes do not understand completely. They want to move from one model to another with one giant step. But no. Angola needs a transitional phase, and not just that, but also to find an optimum way to regulate our economy, always within the best vision of the manner of operation of the laws of economics in our social training.

*** Commentary Clarifies Foreign Investment Policy**

91AF0517D Luanda JORNAL DE ANGOLA
in Portuguese 16 Dec 90 p 2

["Personal Opinion" column: "We Are Going To Protect National Investors"]

[Text] A sensitive question within the context of the Government Action Program is the question of foreign investments. We are observing that many of the intentions of foreign investments are not sufficiently mature to go into practice quickly. This is because of two reasons: On the one hand, we still have excessive bureaucracy in our services, with regard to dealing with questions related to foreign investment; but, on the other hand, we also see that many of the proposals from potential investors are not being made in even a minimally appropriate manner—many of them are even fraudulent. And this also has an explanation, and it is that in a context in which economic stabilization does not exist and financial stabilization does not exist, there is a certain reluctance on the part of potential foreign investors to make nonfraudulent investment proposals. Generally, these entities are trying to protect themselves from the ills that at this moment are still besetting our economy.

Our position of principle is to effectively accept foreign investment whenever it seems useful to the economic activity of the People's Republic of Angola, but we are also sure that this lever for the country's development is only going to be able to be used in a wide-ranging manner following the introduction of stabilization measures, that is, it is evident to us that there is a connection between financial and economic stabilization and the very process of foreign investment.

And we would also like to stress that this is a process that is of interest to everyone. Angola has to be helped by the international community in the application of its stabilization program, because Angola is fertile and still almost virgin terrain in the field of setting up foreign investments. This means that the application of the stabilization program in Angola is in the self-interest of

the international community, all the more so, so that later they can enjoy the fruits resulting from the application of their investment.

In the context of national investment, we would also like to point out that, although we are sure that foreign investment is a powerful lever for the country's development, we are also certain that we will have to give very special support to the national investor, that we should favor the national investor. This way of facing things fits into the so-called policy of alliances that has been established since the Second Party Congress. We are sure that essentially in small and middle-sized economic activity one must have recourse in the broadest way possible to the capabilities of private economic agents, and it is there that we are going to protect potential national investors. Support for the creation of a true national entrepreneurial class falls within the context of the Government Action Program, and we also think that this support may soon find expression in a process that we are going to initiate soon, which is the restructuring of the State entrepreneurial sector of the economy. At this moment, the basic legal dispositions have already been created, the executive aspects are in the process of being prepared, and we think that this process of restructuring of the State entrepreneurial sector of the economy will have a fundamental effect on the creation of this class of national entrepreneurs and in encouraging their activity.

This does not push foreign investment aside. But it is important to stress that priority will be given to national investors. Foreign investment will be made to feel essential in those sectors that the capability of national investors does not reach.

I would like to say in the first place that the application of any stabilization program requires sacrifices. In our country, to ask for sacrifices from a people who have already suffered through so many years of war is violent, but there is no other way. What is essential is that the sacrifices be shared by everyone. And we are also sure that up until this moment we had engendered a way of acting that had given rise to very great social imbalances. This is clear to everyone. There was a great imbalance in the distribution of income. And we think that this state of things will have to be overcome. The sacrifice will have to be shared in fact by everyone.

The measures that will have to be put into place are not popular measures. Up until now, we have had a State that financed practically everything, and we have created a large number of vices throughout these years, thinking that every problem should be solved by the State. This was the concept of the State as Providence, the State as Santa Claus. This created the illusion that we were rich. It created the illusion that it was not necessary to work, that it was enough to go to the black market for us to overcome our immediate personal problems, while we had a population, particularly in the rural areas, that was living in extreme poverty.

I would like to stress that this model died of its own accord. Those people who think that they can continue with their same lifestyle are greatly mistaken, because in a context generated by this model which has exhausted itself, in which there was no production and in which the country's ability to import had reached its limit, the end of those privileges also has automatically arrived for everyone, because the model has died. We think that it is necessary that even the classes favored by the previous system should be certain that the application of these stabilization measures is something unavoidable, because, just as the system did itself in, it has also died in the sense of the preservation of their own privileges. It is necessary to explain this very clearly to all the people, both to those who were formerly privileged and to those who were formerly deprived, in order to create a national consensus for the application of these measures.

But we also think that Angola has such great potential that it will make it possible for us to overcome this state of affairs within a relatively short period of time, that is, we think that with our potential and with the rigorous application of the stabilization measures and, properly said, the structural adjustment measures, conditions will be created over the next five years that will make it possible for the economy to recover, so that in the following five year period the economy can proceed in terms of full development.

We have the potential for this, and we think that with the application of the stabilization measures and the recovery measures that will follow, which will consist of the structural adjustment program, we will have all the conditions to be one of the principal economic powers in Africa within one generation.

*** Pervasiveness of Parallel Economy Examined**

91AF0519B Luanda JORNAL DE ANGOLA
in Portuguese 16 Dec 90 p 2

[Commentary by Luisa Rogerio: "Official or Parallel Market: 'Devil's' Choice"]

[Text] Considering the form it took, when the Government Action Program (PAG) was publicly announced, on 23 September, few would have imagined the present situation. The entire country, from Cabinda to Cunene, from the sea to the East, was (is) looking to the PAG as the principal path to normality, after the aberrations in this country, marked by an almost absolute abnormality that no one would deny. Thus the importance of the PAG, which has been called a kind of life preserver. Despite the skepticism (natural, after so many disillusionments), encouraging prospects are beginning to emerge. Generally speaking, the citizens have begun to believe in the possibility of a revitalization of the Angolan economy and an end to a series of irregularities committed over 15 years.

Among other plans that the "experts" made known at the time, through round tables, press conferences, and so on, one of the goals of the PAG was the upgrading of wages

and of the worker, as had happened in normal countries. Absolutely just. As a result, the Angolans began to prepare psychologically (and not just psychologically) to deal with a new reality in which they would no longer be boxed up in a life without hope, which was laid to rest with pompous eulogies, and to prepare for the necessary changes in behavior, the inevitable change of mind set in a time of change.

In demonstration that this time there would be no room for vain promises, it was announced that the national currency, the kwanza, would be devaluated by 100 percent [as published] on 1 October. The first sign of serious intent, of the kind that had long been missing from the practices prevailing in Angola, came with the currency exchange, effected for the second time in the RPA [People's Republic of Angola].

Already assured of a place in the modern history of the country, "Operation Lightning" caught everything and everyone by surprise. And its counselors succeeded in proving that it is possible, after all, to maintain secrecy in Angola.

But the currency exchange was not to achieve an objective. On the contrary. As the process went forward, we experienced a dark period, with many shortages that led to some major phenomena. Then came the very low prices. Laughable. Coins won out over paper and came to be worth more than the 5,000-kwanza notes that no one would even look at. Soon afterward, as a result of the shortage of the precious metals [coins], there were various kinds of disturbances, strike threats, and—obviously—many tightened belts.

The crisis was temporary, however, and the new reality gradually began to take shape. Certain commercial establishments began to make sales, without any restrictions or special requisitions, of household appliances and various articles for personal use, such as clothes and shoes, among others.

With the money from the exchange, some citizens gave themselves the "luxury" of buying refrigerators, stoves, chests, and much more. Satisfaction almost reigned.

All Very Well, But...

At one point, everything seemed to be going well. Thinking about the future did not cause so many headaches. Particularly because it is no longer a sin. When the indicators showed that we were finally escaping from the sea of uncertainties, a new factor emerged, which was certainly not included in the plans initially outlined. The most important promise was far from being fulfilled. The supply plan came to naught; essential goods were not to be seen without binoculars. Things which had been missing from the shelves since independence were not even displayed "for show."

It was precisely at this point that it began again. When the products were not where they were supposed to be,

the laws of the market dictated the game. As we very well know: when demand exceeds supply, the prices....

Meanwhile, the economic policy which—in real terms—did not "exist" in the past, took hold. It was no longer a "phantom" policy; it began to act. Strong and ugly, incidentally. With the creation of the commission to combat theft and speculation, the goal of the men behind it was to eliminate or at least gradually diminish the evil that afflicts Angolan society—in short, the dubious commercial practices. Once again, there was a feeling in the air that the country could function, that corruption and bribery were not national institutions, when a former minister who had been caught with his "hand in the cookie jar" was brought to trial, found guilty, and fined. Somehow.

Speculation Versus Repression

Although the economic policy is showing undeniable signs of effectiveness, the parallel markets remain open—and well stocked. There is a little bit of everything there, a little like what happened in the "old" times. The only difference is that there is a smaller quantity now, because of the "five percent."

Along this line of thinking, it takes no great mental effort to conclude that in some way merchandise is still being diverted from several ports to be channeled, by the most sophisticated means, to the only centers that for 15 years have been demonstrating their ability to meet consumer needs: the parallel markets.

This being the case, many good people are asking today why the parallel markets are not shut down as well, seeing that the bulk of the merchandise—acquired God knows how—is here. At least let all the people buy it legally. Or remove the import ceilings from the list of obstacles they complain about. But the powerful bur(r)-ocratic machinery cannot stop complicating people's lives from one day to the next.

The situation leads one to believe that the Port of Luanda is still one of the preferred points of diversion. Whether or not the economic police agents are giving it due attention is beyond our ken. It is apparently true, however, that the major thefts occur there, while the commission's attention is turned to lesser matters.

Otherwise, how are certain practices explained? We do not mean to say that we are against obeying the law, nor are we disputing the action of those who base their action on (i.e., who enforce) the law. It is not our place to do this. But, for example, to arrest a citizen for selling a crate of beer, in a country like ours, goes against common sense. Just as we know who is making a profit(?) on beer, we also know that after the "Era 20," beer has once again become the medium of exchange, of particular value in balancing the family budget.

With the prices in effect in the parallel market, where fish is sold for no less than 1,000 kwanzas and a cup of corn meal costs 500 kwanzas—and worse—and there is

nothing new in the supply stores, only those who earn several thousand kwanzas a month can really live on their salary. Even with the wage increments, there cannot be many such "privileged" people. For the ordinary citizen, living on one's salary is just a lovely dream which, like the others, can—yes—become reality. As long as nothing is "cheap," what is one to do? Tighten one's belt? Fold one's arms and wait for better days, or pray for miracles? As Finance Minister Aguinaldo Jaime recently reminded us: only Jesus Christ performed miracles.

Rights of Citizens

We have reached the phase of paradoxes, of the incongruities that it is our misfortune to witness. It is a lamentable but proven, recognized and publicly acknowledged fact that the black market will be a part of daily life until the day when palpable changes are imposed. For a period that not even the most competent of the speculators can determine, Angolans will be doomed to the schemes and exercises necessary to achieve a reasonable standard of living. A sad reality.

It is even sadder, however, to be shown on television, before being tried or sentenced, with the disagreeable label of thief. Before the eyes of one's children, family, friends, and the public, whose laws, although unwritten, have the force that we well know. We imagine that someone in these circumstances would be absolved. Naturally, he could bring suit seeking compensation for damage to his character. Whom would he sue?

Man Does Not Live by Bread Alone

The famous phrase has become a slogan. Along with food, a human being has other needs, other rights. Recreation is among them. It marks the balance between right and duty. In Angola, aside from the specific characteristics, there is not a great deal of difference. For this reason, there are (a few) recreational centers.

We cannot address this matter without going in to the arrest, on 17 November, of some dance hall directors on charges of speculation. At the time, JORNAL DE ANGOLA published two letters (on different days) in the "Reader's Forum"; in addition to clarifying the specific issue, they dispelled some doubts and raised others.

For example, what price table should these directors use, when it is known that the supplies for these dance halls do not come from where they should? Even starting from the principle that the source is not the black market, we do not believe that the supplier is using the official price table. In the end, it is a problem for everyone. Then there is the payment for the sound equipment, the waiters, the fiscal obligations.

In the present phase, the confusion is unnecessary. In other words, everyone should be aware that anyone who opens a commercial establishment of any kind is not in it for philanthropic reasons. He will [look for a commodity that is both useful and pleasing]; he will sound

out the market potential. The purpose of any commercial activity is simply to make a profit. But from all indications, this tendency of ours is being confused with crime.

We also see criteria that, on close analysis, are incoherent. Arbitrary. We refer specifically to the fact that some dance halls were "overlooked"; they were not "visited" during the time when the others were attracting the attention of the economic police. From what is known, these establishments were also "disregarding" the price tables. Nevertheless, they remained open and their proprietors operated them with impunity. They did not have to pay fines or anything. The reasons for the double standard, the difference in treatment, are among the questions for which we would like to have answers.

In effect, the laws exist to be obeyed. This is incontestable. And if men are scrupulous in enforcing them, obeying the guidelines to the letter, why are the parallel markets still open today? What is preventing the arrest of the individuals sitting behind their merchandise in front of the "special shops"? It is true that, occasionally, agents inspired by the power that authority confers on them do their duty. Searches, chases, seizures of articles, etc., etc.

But these are isolated cases and would lead nowhere. At worst, they might lead to the invention of new and sophisticated methods of illicit marketing. You would have to be blind and deaf not to see this. If we start from the principle that very few individuals are troubled by the extent of the problem, we may conclude that the analyses, as diverse as they seem, will lead to a single and obvious explanation. Speculation is an evil that is firmly implanted in Angola. There are reasons and causes. It did not arise by accident. And one of the undeniable inferences is that the parallel market will survive because the officials are unable to come up with an answer.

Two months after the PAG was implemented, uncertainty once again reigns among the Angolans. Despite all the "blows" they have received, the affliction dogs the footsteps of those who fearfully observe that it is better to go slow, that we are gradually getting back to "normal." One need only go to the market, to see the "display cases" spread out over the city, to believe it. When all is said and done, one does not shed a life without hope as easily as one throws away an old rag. Which is what the promises gave to understand.

In any event, it is too early to make final judgments. We are limited to the present [filled] with anxiety. The future remains an enormous mystery.

* Drought Situation in South, Center Described

91AF0516A Luanda JORNAL DE ANGOLA
in Portuguese 20 Dec 90 p 3

[Article by Diogo Paixao]

[Text] The war and the drought still go hand in hand in Angola. Their effects have been devastating on the lives

of the people. Statistics on deaths from malnutrition in the areas affected by the drought are alarming. The situation is so serious that the Angolan Government has had to launch an appeal for assistance from the international community in order to alleviate the nefarious consequences of the drought.

As a result of the appeal launched by Angolan authorities, millions of tons of food have already been distributed to the needy populations since last 2 November, when the United Nations Human Assistance Program was initiated in our country.

In order to ensure the success of the Program, which involves some \$80 million and which will last for a period of approximately six months, some 200 Angolan and foreign officials have been involved.

The operation, believed to be one of the largest ever undertaken in recent years in the region, includes activities related to domestic food security, nutritional care, family reintegration, etc.

But the transport of the donations to the needy regions has not always been effected without impediment, due to UNITA's [National Union for the Total Independence of Angola] inhuman nature, which has several times made the success of the operation difficult.

And a more recent example is the fact that the three emergency aid columns that should have departed Monday from Luanda, Lobito and Benguela to assist the affected populations in the provinces of Kwanza-Sul, Benguela, Huambo, and Huila continue to be prevented from leaving because of the lack of security guarantees on UNITA's part; before the initiation of the operation, the Jonas Savimbi group had promised to facilitate the process of distributing the products to the starving populations.

Despite the current drama having affected the nine provinces in the country's central and southern regions, specifically Kwanza-Sul, Benguela, Huambo, Bie, Moxico, Huila, Namibe, Kuando-Kubango, and Cunene, affecting a population estimated at 1.9 million people, it is said that in terms of suffering and privation, the communities of Ganda, Cubal, Caimbambo (Benguela Province), Gambos, and Quipungo (Huila) are the most seriously affected.

In addition, the communities of Sumbe, Porto Amboim, Ganda, and Libolo (Kwanza-Sul), as well as the towns of Cuanhama, Ombadja, Curoca, and Namacunde (Cunene) are also affected.

Some well-informed people say that this situation is primarily due to the geographic-climatological position of the aforementioned areas (semi-tropical in the interior and semi-arid on the coastal plains), which have a higher propensity for drought.

It is also general opinion that the largest impact of the drought was undoubtedly the reduction in agricultural

production in Huila Province—the largest grain producer in the region—where the most seriously affected are the small farmers, who after having suffered three consecutive years of drought, have consumed all that remained of their stock of seeds, selling even their household goods (sometimes even their farming equipment) to obtain money with which to acquire food.

The livestock also suffer a great deal from the drought. Some statistics show that in the provinces of Namibe, Huila and Cunene alone, more than 500,000 head of cattle and goats have already died.

This entire situation has merited the attention of Angolan authorities and the international community; they aim to reduce the suffering of the affected populations, but despite all efforts there continue to be reports of cases of malnutrition and deaths attributable to starvation and various incidental diseases.

In Huila Province—with a population estimated at close to one million—it is calculated that 30 to 40 percent of the children are in a state of prolonged malnutrition.

Of the approximately 600,000 people affected by the drought in that province, it is believed that 47 percent are in an extremely critical state, 42 percent are in a critical state, and 11 percent are at risk.

In Benguela the drought has caused some 110,000 people to flee, emigrating from their areas (most affected) to zones that are relatively more stable (the cities of Benguela and Lobito, thus overwhelming the services of the Provincial Commissariat).

In a survey taken by the World Health Organization (WHO) at a hospital in that province, signs of malnutrition were found in some 50 percent of the children interned there, with the number of cases of pulmonary tuberculosis in the community of Cubal having increased.

Benguela provincial authorities estimate that more than 4,000 people have died since last March due to the effects of the drought, and that the actual number of deaths since the beginning of the year has risen to more than 10,000.

In Cunene Province—one of the most seriously affected, not only because of the climatological conditions but also because of the destruction of the infrastructure by the South African troops, and with a total population of no more than 400,000 inhabitants—318 cases of death by malnutrition have been recorded.

The community of Curoca has the greatest mortality rate, currently counting some 170 deaths.

Figures from that province report that already some 300,000 head of cattle and goats have died. These herds have become even more sparse due to the sales through the border market with Namibia, where the daily outflow is estimated at 80 head of cattle.

In Namibe Province, the Provincial Emergency Commission estimates that 140,000 are without means of survival through the next harvest. It is the same in Huila Province, where the food deficit is between 30 and 60 percent, since less than 41 percent of the planned areas were planted with millet. As of now, 44 deaths from malnutrition and more than 100,000 head of cattle and goats have been recorded.

The sad picture we have just sketched, despite referring to only four provinces affected by the drought, well illustrates the crisis afflicting the populations in the central and southern regions of the country, thus requiring urgent humanitarian assistance.

News originating from some regions affected by the drought state that the rains have already watered the fields, which makes effective assistance even more necessary, whether in food or in seeds and medicines, so that the population now affected by the drought to be able to become self-sufficient in the near future.

MADAGASCAR

* Churches Organize Citizens, Reforms Discussed

91AF0569A Paris JEUNE AFRIQUE ECONOMIE
in French Jan 91 p 57

[Article by J.-L.C.: "The Church Opens the Debate"]

[Text] The Christian Council of the Churches of Madagascar (FFKM) has just brought a wind of hope to the island. After organizing a "national coalition of the live forces" in the country in August, Malagasy Christian officials assembled over 500 persons from 70 associations to Antananarivo in early December. All elements of Malagasy society came together: organizations of physicians, lawyers, Malagasy employers, peasant groups, unions, including the Revolutionary Malagasy Workers Union (SRMN), which supports government policy; and obviously the main opposition parties, particularly Andre Resampa's Social Democratic Party (PSD); Albert Zafy's National Union for Development and Democracy; and the Movement of Christian Democrats. Many manufacturers and businessmen were also present; along with reserve generals (including former chief of staff Jean Rakotoarison); and representatives of the Malagasy community in France, particularly Aubert Rabenoro, president of the Christian Action for Madagascar; and Honore Razafindramandana. At a coalition meeting held in the Paris region in late at the end of November, the Malagasy community residing in France (some 50,000 persons) also participated in that great national debate.

In both December and August, the FFKM's objective was formulated in the same way: reflecting on the conditions of the "national recovery." However, while it was officially a matter of the churches "preaching the good news outside the church," the two meetings mainly made it possible to formulate publicly some very harsh

criticisms of the policy followed by President Didier Ratsiraka for 15 years. Nor was the government mistaken. Despite the presence of two representatives from the Supreme Revolutionary Council (CSR) as the summer work began, the National Coalition of Live Forces roused the declared hostility of the chief of state. The Movement of Malagasy Socialist Activists (MMSM), which rallies the different parties that support his policy, did not participate in the coalition. As for the AREMA (Vanguard of the Malagasy Revolution) (the president's party) and Monja Jaona's MONIMA [National Movement for the Independence of Madagascar], they thought that such a conference should not be organized by the churches, but rather, by the government.

Whatever the case, Malagasy church officials rejoice over the initiation of a "real dialogue" between religious organizations and individuals from the different socio-professional, religious, and political circles. The final resolutions "do not necessarily reflect the opinions of all Malagasy, but (surely) the aspiration of the majority of the population," according to participants, who, in order to advertise the independent thought of the live forces vis-a-vis the church, created a National Council of Live Forces made up of secular officials.

The Council's reflections have several main thrusts. Delegates demanded a "depoliticization" of the country's life. Clearly, they want to "exclude the Marxist ideology once and for all, for it is in the eyes of the majority at the root of the current deterioration." The live forces also proposed a constitutional reform including a reduction of the presidential term of office to five years and the creation of a bicameral legislative organ. Above all, they want citizens to be eligible independently of any political party.

On the economic level, participants condemned the "disastrous management of the revolutionary regime." They therefore proposed to develop production and create jobs while protecting the environment. However, they did not explain how to achieve these objectives. In one real innovation, participants proposed the creation of investigative commissions on excessive investment. If such investigative commissions were truly set up, no one doubts they would provide elements resulting in a better understanding of the difficulties of the Malagasy economy.

Today, one wonders whether the government will give consideration to the vast wave of discontent that has been democratically expressed for over six months. After repeatedly postponing the vote on a bill that would control the freedom of expression of the press, members of Parliament prepared to decide at December's end. Several months ago, the government encouraged newsmen to express their opinion on the issue. They rejected the bill, as did the National Council of Live Forces. In Antananarivo, it was deemed unlikely that the members of Parliament would take their opinions into account.

MAURITIUS

*** Rene Visit: Remarks on War, Domestic Conflict**

91AF0563D Port Louis LE MAURICIEN in French
19 Jan 91 p 7

[Article by Jean-Max Baya: "Rene Visits Mauritius, Discusses Gulf War and Regional Cooperation With Jugnauth"]

[Text] The impact of war in the Gulf on the economies of Mauritius and Seychelles, regional and bilateral cooperation, and the scheduled April summit meeting of Indian Ocean Commission [COI] countries were on the agenda for talks yesterday between President France Albert Rene of the Seychelles and [Prime Minister] Sir Anerood Jugnauth. Mr. Rene, in a meeting with the press to report on his discussions with the prime minister, said in response to a question from MAURICIEN that there is no conflict between the Seychelles Government and the church. "We only have problems with one or two priests," Mr. Rene said.

Arriving at 1230 hours for a short stopover on his flight to Singapore, the Seychelles president was greeted at Sir Seewoosagur Ramgoolam airport by the deputy prime minister and minister of health, Mr. Prem Nababsing, and by the prime minister's disarmament adviser, Mr. Paul Berenger (who is also secretary general of the MMM [Mauritian Militant Movement]), with whom he dined at Le Chaland hotel prior to his half-hour meeting with the prime minister at 1500. Before resuming his flight late in the afternoon, Mr. Rene met with Foreign Minister Jean-Claude de L'Estrac, who accompanied him back to the airport.

Asked by the press for his views on the war in the Gulf, President Rene said that for small states such as Mauritius and Seychelles only two considerations are important: the length of the war and its impact on our respective economies. The shorter the war, the less severe its effects on us will be. Thus we must hope and pray for the earliest possible end to the conflict, Mr. Rene said. With regard to the impact of the war on our economies, particularly on our imports of petroleum products and essential staples, the two countries should work together to try to find ways to alleviate the effects, according to the Seychelles head of state. President Rene acknowledged he had discussed this possibility with the prime minister, noting also that the Gulf war provides an opportunity to strengthen regional cooperation as well as South-South cooperation in general.

Invited to comment on reaction in the Seychelles to the war, Mr. Rene said the Seychellois felt very much the same way as Mauritians. "They are concerned, and they closely follow the radio broadcasts reporting developments in the situation. They hope the war does not last a long time." On the subject of steps taken by Seychelles authorities to deal with the situation, Mr. Rene said his country has enough stores of food to satisfy the population's needs over the next two or three months.

Turning to other matters discussed with Sir Anerood Jugnauth, the Seychelles head of state said the main topics covered were the upcoming meeting of the Mauritian-Seychelles Mixed Commission and the summit of heads of state of the COI member countries. In that connection, they discussed joint demarches to bring certain issues before the COI. Concerning bilateral cooperation, Mr. Rene said the two countries are agreed on joint ownership of the Saya de Malha banks and on the need to exploit them jointly rather than leaving the field open to foreign companies. "Between friends, there is no need to dispute the exact location of survey buoys on the banks. It is enough that we agree to exploit them in common," said Mr. Rene.

Asked about the American presence on Diego Garcia, the Seychelles leader reaffirmed his country's position that the American base must be dismantled and the archipelago restored to Mauritius. The current detente between the superpowers adds yet another reason to demand the departure of the Americans in order to make this part of the Indian Ocean a demilitarized zone, Mr. Rene asserted.

To a question from MAURICIEN on recent reports of problems that have arisen between the authorities and the church in the Seychelles, Mr. Rene declared there is no conflict between the government and the church. "I have very good relations with the church in the Seychelles and with the bishops as well. We have problems with one or two young priests who want to 'revive some dead issues' and create division in our country. We cannot accept the idea of priests making political speeches on the radio. They are free to say what they want in the churches, but they cannot give political sermons on the radio."

*** L'Estrac on Country's Position on War**

91AF0564A Port Louis WEEK-END in French
20 Jan 91 p 5

[Interview with Foreign Minister Jean Claude de l'Estrac on 19 January 1991 by Josie Lebrasse: "War Always Means One Has Failed;" place not given]

[Text] Foreign Minister Jean Claude de l'Estrac maintains he never said Mauritius was declaring war on Iraq: all he did, he insists, was affirm that Mauritius was in solidarity with the international war effort because it expressed its support for UN Resolution 678, which authorizes use of force to bring about the withdrawal of Iraq from Kuwait. Mauritius, the minister hastened to add, has always emphasized that the problems in the Middle East cannot be dealt with in isolation; thus "we have condemned the Israeli policy of occupation of Arab territories" and "the intransigence of Western countries that have refused to support a wider dialogue that might perhaps have been able to avert war." Mr. de l'Estrac believes there has been a "war of words" over this point and brands the opposition's position "irresponsible."

Mr. de l'Estrac said he is not shocked by demonstrations of sympathy for the Iraqi leader, since "his criticism of the double standard applied by the Western world remains as valid as ever." The minister also said he could understand "how millions of Arabs might find in him a champion of their cause."

The minister said in his interview with WEEK-END yesterday that he stays in frequent contact with Mauritians still in the Gulf region, and they are not panic stricken. Finally, on the Diego Garcia issue, Mr. de l'Estrac said the position of the MMM [Mauritian Militant Movement]—and the government—remains unchanged, but geopolitical realities had to be taken into account...

[Lebrasse] Mr. de l'Estrac, after all that has been said about the Mauritian position on the war in the Gulf, it would be good to get back to the central issue. Is Mauritius at war or not?

[L'Estrac] Well, we are certainly involved in a war of words. I consider the opposition's position on this issue completely irresponsible. Everywhere in the world at this moment, politicians are putting their domestic quarrels on the backburner in order to achieve consensus and national solidarity. Unfortunately, that is not happening here in our country. All last week, while the world was at war, spokesmen for the opposition deliberately falsified an official statement I had made, putting words in my mouth I never said. That is what is serious and could jeopardize our country's interests. I never said anywhere that Mauritius was declaring war on Iraq. In fact, what I said at the start—at a press conference, not on television as falsely alleged by Mr. Duval—was that Mauritius was in solidarity with the international war effort. That statement, correctly reported in your newspaper, was made just a week ago. Mauritius is in solidarity with that international war effort because it expressed its support for UN Security Council Resolution 678, which authorizes use of military force against Iraq to obtain its withdrawal from Kuwait. That resolution first of all authorizes use of force, and second calls on all UN member states to extend "appropriate support for the actions" decided upon by the Security Council. This UN military operation therefore does have our support. It is not our operation, but we support it. The opposition does a disservice to our country by trying to create confusion over Mauritius's official position. Perhaps the opposition was led into error by an overly short, overly simplified newspaper headline. But really I would have expected the opposition to base its analysis on more than just newspaper headlines. In one newspaper, for example, I read a headline that had Gaetan Duval saying "Saddam Husayn is Hitler!" Shocking, obviously. But on reading the article I found he had not said that at all. So I will not criticize him for it. It is all the more regrettable because we have qualified our condemnation of Iraq in several respects. While we condemn unreservedly the occupation of Kuwait by Iraqi forces, we have also always emphasized that the problems of the Middle East

cannot be dealt with in isolation, and we have accordingly condemned the Israeli policy of occupation of Arab territories in violation of the United Nations Charter. And we have also condemned the intransigence of the Western countries, which have refused to support a wider dialogue that might perhaps have been able to avert war. But let us be clear: in the present conflict, it is Iraq that is responsible for this war, and by virtue of our membership in the United Nations and our endorsement of Security Council Resolution 678, we support this war. I would add that war always means one has failed.

[Lebrasse] We have read somewhere that your argument has no legal basis. It was a jurist who expressed this opinion...

[L'Estrac] I would have expected an academic, whatever his political sympathies, to act more responsibly. Actually, he invalidated his own argument, since he concluded that it was correct to say Mauritius is in solidarity with the international war effort. That is exactly what I have been saying from the start.

Saddam Husayn: Champion...

[Lebrasse] Does it shock you to see more and more signs of pro-Iraqi sentiment appearing on posters and walls?

[L'Estrac] I am not shocked. I understand how Saddam Husayn can enjoy broad sympathy from the masses, not only on Mauritius but throughout the Arab world. It is because he has said some things that are true. His criticism of the double standard applied by the Western world remains as valid as ever. I myself brought up this issue in my speech before the United Nations. Generally I do not like to quote from my own speeches, but will allow myself the indulgence in this instance: "Recent history abounds with examples where the international community was sadly incapable not only at clearly enunciating the law but also of assuming its obligations and ensuring that these rules approved by all are respected [as published in English]." I asked that these same fundamental principles be applied "wherever and whenever the law is infringed." Now we know perfectly well Saddam Husayn is telling the truth when he points out that Israel still occupies Arab territories in violation of the UN charter and that the veto power in the Security Council has been used to prevent stronger measures from being taken to enforce respect for international law. When he sets himself up as the champion of the poor Arab countries against the immense fortunes of others in the region, he becomes the champion of justice. We do not approve of his methods, the nature of his regime, or his war of aggression. But we can understand how millions of Arabs might find in him a champion of their cause.

[Lebrasse] What is the current status of Mauritians in the Gulf?

[L'Estrac] We have had a task force working at the ministry since the onset of the crisis. Also, I am following the situation very closely myself, particularly as it affects

the welfare of Mauritians. We have provided for their evacuation or repatriation, keeping them informed and making available to them the facilities that were negotiated with friendly countries willing to help us out. Since the outbreak of hostilities, we have been in contact several times each day with certain Mauritians whom we have designated "group leaders" in various cities of the region. Just this morning I personally spoke with a Mauritian currently in Bahrain (there was also an air raid warning in Bahrain). She assured me she was in good health, that she was in contact with other Mauritians, that she was not panic stricken, and she told me her employer had made contingency plans for evacuation to other cities if the threat became more immediate. This very day (Saturday) we have contacted people in Israel and Riyadh. On Friday, contact was also made with Mauritians in Jordan, Abu Dhabi and Syria. In every case, the news from the Mauritian community has been encouraging. In recent days a number of Mauritians have returned from the area, from Israel. Quite a few have returned. We are going to get in touch again today. There is great solidarity among Mauritians in the Gulf region, and they have asked that their relatives be told not to panic. Whenever we get information from the field, it is passed on to the relatives.

[Lebrasse] You have spoken of Saudi Arabia as a region that is not threatened. But Iraq has made targets of both Israel and Saudi Arabia...

[L'Estrac] There is a war on. And that war might eventually get wider. But if you look at a map of the region, and the border between Iraq and Saudi Arabia, you will see that people in Dhahran are relatively close to Kuwait and thus in a threatened position, while those at the other end of Saudi Arabia, in Jiddah on the Red Sea, are not threatened for the moment. It is a war being fought with missiles, so the entire region is in a state of alert. But some cities are obviously more vulnerable than others. After the events of the last few hours in Israel, we spoke to a Mauritian woman based in Tel Aviv who told us that to her knowledge the Mauritians there were not having any problems. A goodly number of Mauritians have returned from Israel, as I have already said, and from Riyadh we get word that Mauritians there are not worried. We received calls from Syria following news that Damascus might change sides as the conflict evolved. Yesterday, we contacted Melles Roopun and Chantal Doorga, who are in Damascus. We asked them to get in contact with the UNDP [United Nations Development Program].

Diego Garcia

[Lebrasse] The Diego Garcia base is being used in the present conflict. And it is part of Mauritian territory. One could argue, on that basis, that Mauritius is at war...

[L'Estrac] No one can criticize us for lack of diligence in our difficult struggle to obtain international respect for Mauritian sovereignty over the Chagos archipelago and Diego Garcia. I think I understand your question. I

would remind you that in 1982 I personally chaired a select committee dealing with the entire issue. I have already said I believed Mauritius's greatest diplomatic victory was won in New Delhi in February 1983, when for the first time 101 nonaligned states agreed to support the Mauritian claim to the Chagos. Our political and diplomatic struggle continues. In the United Nations on 9 October I reaffirmed our claim to Diego Garcia and our support for creation of an Indian Ocean zone of peace. But geopolitical realities must also be considered. The realities of the moment...

[Lebrasse] The MMM has been inflexible on this question in the past. Today, you are introducing nuances...

[L'Estrac] The MMM has been and remains inflexible on these principles. But it cannot close its eyes to reality. The reality of the moment is that Diego Garcia is still an American base, whatever the MMM and Mauritians in general may think of it. In the present conflict, this base is integrated into the military machine of the multinational forces. It is participating in an operation sanctioned by the United Nations, an operation intended to enforce respect for international law, for the rights of a small state against the aggression of a powerful neighbor. Thus, to say that Diego Garcia is currently being used by the international community for the defense of international law is merely to state a fact. It does not reflect any change in our political position. Our position is only too well known, and it has not changed.

[Lebrasse] When you begin to talk about military security, though, that carries certain implications...

[L'Estrac] I have already explained that to you. At this time, Diego Garcia is participating in an operation intended to obtain the withdrawal of Iraq from Kuwait.

[Lebrasse] How do you assess the situation in the Gulf, four days after the opening of hostilities?

[L'Estrac] There is intense anxiety at present. After the initial euphoric statements by the allied forces, we are beginning to see that Iraq still retains considerable capacity to resist, even to attack. Consequently, the war could be longer than some strategists in the United States and elsewhere anticipated. Also, there is fear in various quarters that the war may be widened, due to Iraq's repeated attacks against Israel. It is obvious to all sides, including Israel, that this is a trap set by Saddam Husayn in order to break up the coalition of allied forces. If Iraqi attacks continue and become more aggressive, Israel will be unable to resist the temptation to strike back. If that happens, it would be a real catastrophe.

* Singaporean Trade Mission Planned

91AF0640D Port Louis LE MAURICIEN in French
31 Jan 91 p 6

[Article by Leon Baya: "Thirty-Member Singapore Trade Mission Expected"; italicized words published in English]

[Text] Some 30 Singapore businessmen will be in Mauritius on 24-28 February as part of a trade mission organized by the *Singapore Trade Development Board*!

This is the first time that such a strong Singaporean delegation comes to Mauritius; it will essentially look for local importers and distributors for a wide range of products, including alcoholic beverages, feed production equipment, sanitary and domestic appliances, software, lumber, canned food, pharmaceuticals, spices, tires for various types of vehicles, automotive spare parts, and oil products.

The delegation will include a representative of the *Export Credit Insurance Corporation of Singapore* [ECICS], which provides credit and insurance facilities to exporters. The ECICS will contact banks and the Chamber of Commerce and Industry to explain all the services it offers. The mission will also include an official from the *Informatics Computer School*, which prepares customized training programs.

In addition, a group of printers will accompany the mission; they intend to offer their services—they are well known for their advanced technology—to the Ministry of Education, the University of Mauritius, bookstore owners, and teachers.

The mission will be headed by Mr. Adnam Ramly, *chief executive* of the *Singapore Trade Development Board*. The Mauritius high commissioner in Singapore, Mr. Herman Hochstadt, will also come with the mission.

In 1989, Singapore accounted for 2.5 percent of Mauritius total imports, i.e., 501 million rupees. For the first half of 1990, our imports amounted to 290 million rupees. Mauritius 1989 exports to Singapore amounted to only 58 million rupees.

* Irrigation Water Diverted to Reservoirs

91AF0563E Port Louis LE MAURICIEN in French
18 Jan 91 p 4

[Article by Berky Ombrasine: "Water Used for Irrigation Diverted to Reservoirs Due to Drought"]

[Text] In response to the serious drought the country is experiencing, Energy Minister Mahen Utchanah has asked for and obtained permission from sugar industry executives to divert water used for irrigation to the reservoirs of Mare-aux-Vacoas, La Nicoliere and Pailles. Utchanah believes that with the additional water the country should be able to hold out until the end of February...when meteorologists say the heavy rains should begin.

The minister told sugar industry officials at a meeting this morning that water levels in our reservoirs have dropped to a critical point: enough for three to four weeks at Mare-aux-Vacoas and La Nicoliere, and enough for just over a week at Piton du Milieu. Also, the supply capacity of our 68 bore holes has dropped by 50 percent.

If the situation continues to deteriorate, the minister is prepared to utilize spring water. The water from about ten of the biggest springs already has been diverted to the reservoirs.

Plans have been drawn up to use irrigation water from Midlands to supply La Nicoliere reservoir. And the water utilized by the Mon Desert Alma and Highlands facilities will provide additional water to Pailles.

Water may also be pumped from some 27 rivers and streams that have significant flow rates.

According to Mr. Utchanah, if these steps are not taken as quickly as possible, the first areas to feel the pinch from the drying-up of Mare-aux-Vacoas will be Curepipe and then Port Louis. It should be noted that water supply in these areas is already somewhat unreliable. The situation in the Quatre-Bornes, Rose-Hill and Beau-Bassin regions seems to be less critical, since these regions are supplied by bore holes.

* Offshore Banking Promotion Scheduled for March

91AF0640A Port Louis L'EXPRESS in French
25 Jan 91 pp 1, 3

[Unattributed article: "Offshore Banking: GM [Mauritian Government's] Priority at This Juncture"; italicized words published in English]

[Text] A major *offshore banking* promotion operation, scheduled for next March, is currently under preparation. The fact is that Mauritius would like to take advantage of the unstable situation that prevails in the Gulf to launch on new bases its project of making Mauritius an *offshore business center*.

An important work meeting was held yesterday at the Ministry of Finance. Officials from *offshore* banks in Mauritius were invited to meet Bank of Mauritius officials in order to develop a suitable overall strategy.

According to official circles, conditions now are very favorable to attract capital in search of a haven into the coffers of *offshore* Mauritian banks. In support of this argumentation, they suggest that members of the Saudi royal family recently invested billions of rupees in India, in *Long Term Deposit Certificates*.

"If Mauritius can manage a first breakthrough under the present circumstances, the *offshore business center* can look forward to a bright future. As long of course as economic and financial interests agree with the statements made concerning current international problems," someone from High Finance Street explained to L'EXPRESS.

The bankers decided to hold another meeting to finalize the details of their strategy, so that another plenary meeting with the government was scheduled for 5 February.

In addition, considering that most *offshore* banks operating in Mauritius have major representations abroad, some bankers suggested that each *offshore* bank could perform some preliminary work.

"If, in a first stage, each *offshore* bank in Mauritius asks its parent company to give it a little help in promoting Mauritius as a financial center, the promotion operation will be well on its way," they added.

Yesterday's meeting, chaired by the financial secretary, Mr. Dev Manraj, was convened at the request of the prime minister and minister of finance, Sir Anerood Jugnauth.

* Citizens Reassured Food Supplies Adequate

91AF0564B Port Louis WEEK-END in French
20 Jan p 10

[Article: "Consequences of the Gulf War on Food Supplies"]

[Text] The government gives assurances and takes steps. And suddenly it seems there is no shortage of rice or flour on the market...

Mauritians have anxiously followed developments in the Gulf. Even before the outbreak of hostilities, many compatriots—those at least who had the means to do so—yielded to panic and stripped retailers' shelves, provoking an artificial shortage of all sorts of basic foodstuffs. A fresh wave of panic broke out in our country on Wednesday after the first allied attacks against Iraqi strategic positions.

But information obtained by WEEK-END from the various concerned sectors confirms that essentials such as rice, flour, milk and edible oils, to mention only a few, are indeed available on the market; furthermore, we have large stocks of these products, stocks that will be increased with the arrival in Port Louis of already scheduled cargo ships.

If there were shortages of some products recently, it was only because many Mauritians, fearing difficult times ahead, built up their own sizable stores of goods, a practice strenuously denounced on the airwaves Wednesday by Prime Minister Sir Anerood Jugnauth, who at the same time urged merchants to show their patriotism by refraining from efforts to exploit a crisis situation to personal advantage.

Rice and Flour

With the Gulf in crisis, the announcement that rice was going to be rationed and the suggestion that heads of families dig out their rice ration cards served only to pour oil on the flames, spurring a goodly number of our compatriots, like people elsewhere in similar situations, to raid the shops and quickly empty the shelves.

A tactical mistake, it was said, after the prime minister invited Mauritians to get out their rice ration cards.

Moreover, the procedures employed by the authorities turned out to be inefficient and merely created more confusion than before, since people were told they all had to come to a single location (in Port Louis) to renew their ration cards. The long queue that overwhelmed a team from the Ministry of Commerce and Naval Affairs on Pope Hennessy street was striking testimony to the amateurism shown by the ministry in this instance.

The authorities were courageous enough to admit their mistake, but that did not prevent the minister from coming up with a miraculous new formula that once again made people unhappy, particularly retailers who were made responsible for compiling the data the government needs to issue the rationing cards.

With new problems springing up, the commerce minister deemed it useful to talk directly to those most concerned, the merchants, in order to make sure that the many people without ration cards can get "adequate provisions of basic foodstuffs in the weeks to come."

Although he could have used television, which offered a rapid and effective way to communicate with all the merchants in the country as well as with Mauritian consumers, Minister Gungah chose instead to engage in a veritable marathon, organizing a series of six hour-long meetings he plans to hold on Monday and Tuesday with merchants from 20 districts around the country. One can only hope that the merchants respond favorably to his appeal and that the minister doesn't get tired saying the same thing to each group of interlocutors.

According to Mr. Vijaye Goorah, general manager of the State Trading Corporation [STC], which handles our rice imports, it is quite natural for any responsible government to make sure there are adequate supplies of basic foodstuffs. But he added that the rationing system will not go into force unless the international situation makes it necessary.

We asked Mr. Goorah point blank whether there is any cause for concern about rice supplies. It seems there is not, because there is plenty of rice in our own granaries, and no restrictions have been put on deliveries to retailers—precisely to avoid fostering any impression that the market is in short supply of this commodity.

In addition to stocks already on hand, the Neptune last week brought in 12,000 tons of rice from China, and another 12,000-ton shipment is expected in late February or early March. We have two months of rice reserves, said Mr. Goorah, and there is no cause for concern.

The same situation obtains with regard to flour, because there is enough on hand to meet consumer needs for the next four months. STC continues to make normal deliveries of rice and flour. No shortage of these commodities is foreseeable; one would have to search elsewhere to find any sort of shortage—hence the need for effective action on the part of the Commerce Ministry's enforcement branch.

*** Hotel Cancellations Hit 10 to 15 Percent**

91AF0563C Port Louis LE MAURICIEN in French
16 Jan 91 p 6

[Article by Raj Gowrea: "Cancellations on Travel to Mauritius Reach 10 to 15 Percent"]

[Text] More and more travelers (10 to 15 percent so far) are canceling their hotel reservations, as war looms closer and closer in the Gulf. But there are no signs of panic yet. This was the assessment made yesterday by hotel executives at an official meeting with the minister of tourism, Mr. Michael Glover, and Mr. Suresh Seegobin, marketing director for Air Mauritius.

The mission of this "task force" set up by the Ministry of Tourism was to analyze the initial repercussions since the onset of the crisis, evaluate the extent of its effects on tourism from Europe, and estimate the consequences if war breaks out. Analysis of early reactions from European clientele indicates a cancellation rate of 10 to 15 percent.

At AHRIM [Association of Hotel Keepers and Restaurants Owners of Mauritius] it is pointed out that hotels already have increased their stock of supplies to be prepared for any eventuality. Thus the question of provisioning the hotels was put on the backburner in the talks, the hotel executives being concerned mainly with getting assurances of adequate food and energy supplies as war draws nearer.

With regard to possible repatriation of tourists in case of hostilities, the Air Mauritius representative gave assurances that such travelers would be given priority on scheduled flights. He also said that if the crisis worsened Air Mauritius could organize special flights to ensure the earliest possible repatriation of the tourists.

It was decided at the meeting to set up an "ad hoc" Gulf crisis committee to work with the ministry if the situation deteriorates. The committee is composed of Mr. Jens Grossner (AHRIM secretary), Arnaud Martin (Sun International), Frederic Croisier (Le Canonnier), a representative of the Beachcomber Group, and the minister's adviser, Dr. Karl Mootoosamy. Other recommendations covered hotel protection and security arrangements and establishment of a rational system to ensure tourists easy access to international communications in event of war.

MOZAMBIQUE

*** Machungo Discusses 1991 Economic Plan**

91AF0539A Maputo TEMPO in Portuguese
30 Dec 90 pp 12-16

[Article by Roberto Uaene: "Economy in 1991: A Demanding Item"]

[Text] The government's economic and social plan for 1991 is starting with a deficit base; despite the predictions of some growth the prospects are gloomy, as Prime Minister Mario Machungo pointed out at the First Session of the Assembly of the Republic.

It all began with the low levels of economic growth predicted to occur in 1990, in comparison with the indexes reached during the years immediately preceding the implementation of the Economic Recovery Plan [PRE].

Among the short-term objectives programmed for the economy as a whole, and called for in the PRE, with a view toward introducing reforms geared to an economy directed by market forces, the adoption of active macro-economic measures by the government to increase production and productivity, giving priority to agrarian production among other types, was supposed to result in a growth of nearly 5.5 percent in the gross domestic product (GDP), backed by a total growth of almost 6 percent in production.

With this evolution, a recovery of the indexes on exports of goods and services was foreseen at a rate of 9 percent compared with 1989, as well as a cut in inflation from 30 percent in December 1989 to 18 percent in December 1990. To achieve such results, however, there would have to be control of current public spending and investment, limiting the state's recourse to bank credit financed by currency issues, making real growth in wages contingent on a greater increase in productivity, and on the implementation of a restrictive credit policy.

However, the anticipated results for the 1990 economic performance show a deviation from the objectives devised, indicating a decline that would maintain 1990 as the worst economic year since the introduction of the Economic Recovery Plan. Cited as reasons for this decline are weather factors and the continuation of the war, reflected in power cuts affecting industry and, at times, the water supply. Consequently, available data indicate a reduction in the 1990 GDP compared with the previous year, resulting from a growth less than the predicted 6 percent.

1990 Levels

Based on the growth anticipated in the agrarian sector, a reduction is expected in the production rates of the business sector, combined with the marketed production of the family sector, which, moreover, totaled 16 and 32 percent in 1989. The result is a possible failure to meet the export levels expected to reach 9 percent, which will stand at only 4 percent.

The forecasts for the inflation rate indicate an average annual increase of 40 percent and 30 percent in December 1990, as opposed to the 18 percent predicted at the beginning of the year. Cited as causes of this rise in inflation is the short supply of staple products, which contributed to the flourishing of the parallel market, and the resultant price hikes.

The evolution of wages shows that, in the state apparatus, there was an increase of nearly 23 percent; whereas, in the business sector of the economy, this rise exceeded the inflation rates. This has heightened the pressure on the demand for consumer goods and, hence, on the evolution of prices.

The real devaluation of the metical has had a favorable impetus, with the institutionalization of the secondary exchange market, the main purpose of which is to guarantee unification of exchange rates in the country.

Even with a certain amount of optimism, the control of investments shows that the 55 percent that had been programmed for 1990 will not be exceeded. Considering the fact that the data submitted thus far were based on estimates, it is likely that the final picture will be different; because, for example, agrarian marketing is registering reasonable growth in the case of some products.

In any event, the picture itself is an indicator that the situation is difficult; and it may become all the more marked with the evolution of a possible substantial reduction in trade relations with the USSR, Germany's reunification, and the rise in oil prices on the international market.

Effects

Relations with the Soviet Union represented a series of acquisitions of credit or gifts, which could be summarized, basically, as fuel, with a total value of \$200 million, and including defense, technical assistance for health, basic intermediate technical education, and higher education. German reunification has brought social repercussions and, not only that: the unexpected return of 11,000 Mozambicans who were working there means, besides unemployment, cuts in transfers made in convertible currency. And all the more so because the end of the assistance in the security and civil areas coming from the GDR will mean the loss of nearly \$30 million per year to the country.

The rise in fuel prices on the international level and the fact that the USSR is not supplying credit for that product is serious per se. This has made imminent the possibility that the country will not have the volumes of fuel that it has maintained to date, thus requiring the introduction of painful restrictions, beginning with the state institutions.

This means that, overall, the presence of these factors will represent an additional cost of \$230 million per year, unless the negotiations that the country is holding to eliminate these expenses have some effect. The most serious aspect is that our exports amount to only \$110 million per year.

Despite this gloomy picture, the government will continue the negotiations to prevent the exacerbation of this decline, as well as the entire series of measures aimed at

the PRE's underlying objectives, namely, curbing inflation, and recognizing that only in the context of low inflation will it be possible to promote the country's development on stable foundations. Hence, the expectation is for an average annual inflation rate of 25 percent, with a 20 percent level in December 1991, taking December 1990 as a base. A second objective will be that of attempting to recover the 1987-89 growth levels, which would result in a 5 percent growth in the GDP.

It is also obvious that, to attain such levels, a series of measures will have to be implemented, such as heightening efficiency in the system for allocating foreign currency, in the procurement processes, in the pursuit of the restrictive credit policy, and in other areas.

On the Budget

In 1990 the Finance Ministry had to generate a budget based on needs, with many restrictions. In view of this current situation, next year will have to be consistently, and primarily, one of austerity.

The state of dependence on foreign countries which, in budgetary terms, amounts to as much as 58 percent, requires a budget calling for 339.1 billion contos for current revenues, compared with 373.3 billion contos for expenses, with a current deficit of 34 billion contos. The total deficit in the OGE [General State Budget] is estimated at 514 billion contos.

These numbers illustrate the level of dependence on foreign countries to which the nation is subjected. Moreover, it should be noted that the OGE for 1991 was based on suppositions associated with the fact that, for example, since no cut in civilian personnel is called for in the state apparatus, it is essential to ensure that, under no circumstances, may new personnel be admitted except in unavoidable cases. The internal component of the OGE as a whole must not exceed 10 percent of the total financing, with specific projects that justify amounts up to 20 percent considered as an exception. In terms of public investment, this means that all new investments through the state budget will be ignored.

Next year will bring some innovations associated with the new economic and political situation, because it will be necessary to stipulate in the OGE some amounts earmarked to support political parties, resulting from the openness to the multiparty system. There will also be a wage increase specified to go into effect during April. It defines the minimum wage at nearly 23 percent higher, requiring that the overall figure not exceed inflation levels, as occurred in 1990.

Labor

Included in a series of circumstances that should be taken into account among measures and projects aimed at improving the situation next year is the fact that the law legalizing the exercise of strikes called for in the Constitution of the Republic has finally been passed. Thus, among the gamut of laws passed throughout 1990

are the Law on Political Parties, the Law on Practice of Funeral Activities, and the Law on Strikes, proposed on the agenda apart from the program submitted initially.

As a result of the discussions held, there was passage for both, including the Law on Housing. The recognition in the Constitution for the right to strike and to labor union association, as well as the right to collective bargaining, represents a historic landmark for the workers.

In the development of the constitutional principles a series of other laws is being devised. However, considering this matter of strikes, specifically, there were positions possibly indicating that certain deputies are opposed to strikes. But it should be realized that, since early 1990, there have been strikes in unavoidable situations, resulting from the socio-historical conditions under which the strike movement appeared and evolved in the country after December 1989. Hence, it proved necessary to consider the opinions of the ILO's [International Labor Organization] Trade Union Liberation Committee, provided that they were in keeping with the country's political, economic, and social situation, among other things.

Thus, all workers have the right to strike, except for the military, police, and other similar forces. Workers in essential services have a limited exercise of striking, without overlooking the fact that employees of the state apparatus must wait for the regulations on the right to strike under specific conditions. This is because there must be an exact, correct definition of what a public servant is, as Deputy Magid Osman noted upon clearing up some doubts in the process of debating the law.

* Minister Introduces New Housing Policy

91AF0629D Maputo NOTICIAS in Portuguese
12 Jan 91 p 1

[Text] Yesterday morning in Maputo, Joao Salomao, minister of construction and water, said that the state plans to sell dwellings and nationalized buildings to domestic tenants and/or renters who are currently occupying those facilities; the sales will be in meticals at market prices. This action is aimed, among other things, at creating a special fund whose income or profits will be used to promote housing complexes.

Speaking at a press conference on the National Housing Policy [PNH], recently approved by the Assembly of the Republic [AR], Minister Joao Salomao asserted that this action is being taken as a result of the state's inability to significantly subsidize current interest rates and the banking sector's difficulties in making housing credit available to potential buyers.

According to the minister of construction and water, an attempt is being made to speed up the creation of conditions necessary for the transfer of the housing facilities in question as stipulated by the law and decrees recently approved by the AR and Council of Ministers [CM].

However, according to Minister Joao Salomao, there are certain prerequisites, a development which precedes the transfer of housing facilities to prospective tenants and/or renters, and these include a registration office for nationalized housing facilities and buildings which, moreover, is already in operation. It is expected that by the middle of this year the first steps will be taken to finalize the transfer process.

The minister of construction and water said that the necessary procedures for the transfer of state property are now underway in Maputo.

Speaking about dwellings constructed of precarious materials—namely, cane, wood, and zinc, the head of the Ministry of Construction and Water said that a mistake had been made in the implementation of Decree 5/76, since, according to him, those materials were not to be included in the nationalized housing complexes. He added that through error those housing facilities ended up being included in the housing development taken over by the state and administered by that organization and that, to rectify the situation, the state will make restitution to the former owners.

"In this regard," said the minister of construction and water, "all necessary steps are being taken to make the required transfers without confusion."

Responding to a question about the possibility of third persons wanting to acquire dwellings whose present owners are financially unable to keep or who are attempting to arrange financing, Minister Joao Salomao said that the law does not permit such a contingency inasmuch as such an acquisition depends on the wishes of the owner in question who may otherwise continue to reside where he is, paying the rent as usual.

Joao Salomao explained that the tenant or renter who occupies a specific dwelling or building may acquire it by a lump sum payment or through amortization over a period of 25 years. The Mozambican official then went on to add that this procedure applies only to national citizens or institutions that occupy state facilities, while foreigners have no acquisition rights, and must continue to pay rent as tenants on a fixed basis.

With reference to former owners of nationalized facilities, Minister Joao Salomao said that there is no restoration procedure; such owners must conform to the norms specified in Decree-Law 5/76 pertaining to the nationalization of income-type dwellings. This procedure, according to the minister, stipulates that the former owner request indemnification corresponding to the value of the nationalized property; this is in accordance with the decree-law in question and involves a specific time limit for processing the indemnification request.

New House Rents Beginning 1 April

Meanwhile, in his speech at the same press conference, the minister of construction and water announced that

beginning 1 April new rates will be established for housing rentals: residential dwellings will be increased 50 percent, while the increase for service facilities, commercial installations, and industrial units will be higher.

At the same time, Minister Joao Salomao pointed out that, despite these increases of about 50 percent in the rental rates for dwellings, the government plans to continue the subsidies, for if, as he said, those subsidies were put into real terms, they would have to be multiplied by a factor of eight to 15 for existing buildings and 40 to 100 times for new buildings.

After stating that the announced increase in house rent does not correspond in any way to the values he mentioned, the minister said that these increases are in keeping with the general context of the existing wage and other remuneration levels and that corrective measures will gradually be taken to adjust the rent schedules.

Speaking of how much the state is spending on rent subsidies and for how long this will continue, the minister of construction and water said that it is difficult or even impossible to be precise on that point, but that his ministry is presently engaged in a study involving the evaluation of the actual construction and maintenance costs of such facilities on the part of both the owners and the state. He went on to say that "from what we could ascertain, if we considered the value of the real estate after amortization, the current rates would have to be multiplied by a factor of about eight to 15," he said in conclusion.

* Nampula Governor Gives End of Year Situation

91AF0629B Maputo NOTICIAS in Portuguese 3 Jan 91
p 3

[Text] In Nampula Province the year 1990 experienced a significant improvement in security conditions as well as a gradual increase in production and business. However, the prevalence of the war and all its aspects of hunger and misery, including a multitude of displaced and victimized people, is causing the suffering to continue on a day-to-day basis and is threatening some of the citizens with starvation, according to Governor Alfredo Gamito, directing his remarks to Nampula's officials at a dinner held a few days ago signaling the transition from 1990 to 1991.

Speaking to some of the province's administrative officials, business people, and guests, Gamito said that the year just ending constituted an unusual phase in the country's history, involving important, profound, and rapid changes in the country itself.

In the way of an example, he cited the discussion and approval of the new Constitution which recognizes the multiparty system and thus permits the people to have democratic participation in the ongoing affairs of the country.

"The activities of the political parties should be carried out on the basis of principles designed to safeguard our national unity, strengthen the patriotic spirit of the citizens, and consolidate the Mozambican nation," said Alfredo Gamito.

In his speech, the governor suggested that the parties should contribute toward peace and stability through the political and civic education of the citizens, broaden their scope, and support the national interests.

"Now then, the effort that we should make individually or collectively should be that of striving to be capable or increasingly more capable of living together, even if we are different. We must agree or disagree with each other and yet find ways to engage in democratic discussion in the spirit of tolerance and understanding among Mozambicans, for important tasks are awaiting us to help our country eradicate hunger and misery resulting from the war which we are experiencing," said Alfredo Gamito.

According to the governor's observations at the dinner, in 1991 the economic and social program of our country's government will be carried out in an extremely unfavorable context, more difficult than it was in 1990, due, on the one hand, to the rise in oil prices and, on the other, to the disappearance of a significant part of the aid previously received from socialist countries.

"Under these circumstances, we are urging all of our citizens to redouble their efforts to improve the efficiency of our labor as a way to help achieve our preannounced objectives," he said.

In conclusion the governor of Nampula thanked the international community, especially the governmental and nongovernmental organizations operating in the province, for the support given in various social sectors, particularly that of the emergency sector. He also thanked the Defense and Security Forces, the Frelimo party [Mozambique Liberation Front], and its directorate headed by President Joaquim Chissano, for the vitality and strength demonstrated in the process of intensifying and expanding democracy in Mozambique.

* Gaza Governor: Security Situation Improves

91AF0629C Maputo NOTICIAS in Portuguese 3 Jan 91
p 3

[Text] Eugenio Numaio, governor of Gaza Province, said in Xai-Xai that despite the current wave of assassinations, the Renamo [Mozambique National Resistance] bandits ended up being on the defensive and that it was still possible to restore the headquarters of Chigubo District and the remaining areas of the province. What was involved was an access road which had been blocked by the Renamo armed bandits. The governor made this disclosure at a reception held for the party's and government's cadres in that area of the country.

"Let us not forget the sad scenes which occurred in the districts of Chokwe, Mandlakazi, Bilene, and the administrative post of Chongoene, where the armed bandits not only engaged in indiscriminate and cruel assassinations but also hurled infants into a lake where they drowned; they also cut off the genitalia of 14 men and two women," said the governor in his speech.

According to Numaio, the terror caused by the Renamo armed bandits, particularly at the end of last year, brought the number of citizens in emergency circumstances to more than 700,000, counting those who were displaced by the war, victimized, or repatriated from neighboring countries. "We are hoping that, in the year 1991, if it is not possible to put an end to these crimes, we shall at least make a conscientious effort to strengthen and organize the people in the art of self-defense," said Numaio.

With regard to the economy, the Gaza governor said that last year the provincial government paid greater attention to the emergency situation. In an effort to step up certain programs, priority was given to the restoration of roads, forest trails, and bridges aimed at carrying out auxiliary programs and implementing plans of action scheduled for that region of the country. In that context, steps were taken to finish the bridge over the Limpopo River and restore the bridge over the Munhuane River, in the Xai-Xai District. Three more bridges are to be built in 1991.

With regard to agricultural campaigns, the Gaza governor revealed that local programs were being vigorously pursued despite certain adverse climatic factors which are continuing to make things difficult for the people's nutritional needs.

"We are hopeful that the current campaign will be successful inasmuch as there has been an abundance of rain throughout the province, even in the districts where the situation had begun to be of concern," said Eugenio Numaio.

He also said that emergency measures had been taken to determine the amount of water available for use. Thus, it was decided to implement a number of projects aimed at alleviating the effects of the natural calamities which often plague thousands of inhabitants in that province. In the governor's opinion, studies should continue to be made in the current year regarding the profitability of the area's existing irrigation equipment which is not being presently used to advantage.

Moreover, according to Eugenio Numaio, steps should be taken to correct any imbalance in the development of the province through the elaboration of specific projects in all districts in accordance with the area's particular conditions.

At another point in his speech, the governor expressed his gratitude and admiration with regard to the representatives of the international community who are

working in Gaza; he emphasized that, despite the enormous difficulties experienced by the province, the cooperatives in question made a valuable contribution to the development of that area of the country.

"Finally, we call upon the business people and clergy to lend their help vocationwise in obviating the damage caused by the war and the resulting misery being experienced by the many thousands of fellow citizens, who with the proper living conditions may subsequently return to their country of origin. We are striving to make 1991 the year in which we shall see the culmination of peace in Mozambique," concluded Eugenio Numaio, governor of Gaza.

* Rural Development Projects in Manica Viewed

91AF0540A Maputo NOTICIAS in Portuguese
31 Dec 90 pp 5-6

[Article by Fausto Henriques: "Rural Reconstruction: Self-Help to Stimulate Progress"]

[Text] Using the manpower of the family sector, that is, the target group, as the driving force in a system of self-help, the Rural and Agricultural Reconstruction Program in Mozambique (MARRP)—which has been underway, carried out by the Mozambican Government with technical assistance from the German agency GTZ since last year—is stimulating the creation of infrastructures which are necessary to support the development process in Manica. So, in the administrative post of Machipanda, while the government is providing the financing, the agency is making funds available for the purchase of those items that do not exist on the local market, and the beneficiaries are participating in the building of the infrastructures that they will be using in the near future.

"The system for implementing the program is being turned into a pilot project for other organizations working in the province, although this is not a program with the support of a nongovernmental organization as occurs with the majority of those that exist in Manica," said John Sithole, director of the Provincial Planning Committee in Manica and counterpart-coordinator by the government of the province of all the programs being implemented with outside support in that part of the country.

In fact, since MARRP began, with the project of construction and reconstruction in Machipanda, nearly 10 km of highway has been built, providing access to villages, along with three granges, 43 classrooms, constituting five primary schools, a health post, two tanks for spraying insects, and a large number of water-supply sources.

In the area of highways, the initial goal was to reconstruct nearly 20 and 1/2 km of the gravel secondary

highway that leaves the city of Manica for the administrative post of Machipanda—ER 550—aiming to provide easy access to supplies of agricultural components to seven villages which have a total population estimated at 8,500 inhabitants.

Later, however, it was also proposed that 25 additional kilometers of highway be built, providing access to 19 villages, thus affording reasonable access to the closest primary or secondary highways on behalf of nearly 25,000 people.

This fact constitutes one of the first efforts of MARRP, to achieve the objective for which it has been pushing, which is to increase agricultural production and improve the standard of living in the rural areas of the Province of Manica.

In a visit that our reporters paid to the first area of the infrastructures project—the administrative post of Machipanda adjacent to the border with Zimbabwe, in the district of Manica—we had the opportunity to see one phase of construction of a school with four classrooms, an office, and a small warehouse. Built of stone, in the village of "25 June," this school constitutes a unique and well-known experience in Manica which is being created through MARRP with the support of the target group.

In the village of Chifacho, we were shown a deep well built by the Provincial Rural Water Board, with the help of the people of the village, while, in Chizipa, we were taken to see a tank for killing insects built to support the family sector in the veterinary treatment of cattle.

We are made aware of just how worried MARRP is in achieving its total objective when one visits what is being done by the pilot project of "Appropriate Village Technology," which is being carried out in conjunction with the Provincial Service of Physical Planning.

This project is based on the construction of improved granaries, clay ovens attached to the walls which are also made of mud and thatching, and improved latrines. Its goal is to reduce losses after harvest and improve the basic knowledge of the peasants concerning village sanitation and energy use.

Creation of New Jobs

Access highways are being built almost entirely on a self-help basis, and the directing of the construction work as well as its supervision are being carried out by a project team that also furnishes trained manpower for the aqueducts and "drifts."

The roadbeds of these highways are built of hard-packed earth, with the exception of steep inclines and cross-roads, which are covered with gravel. Water is drained by means of "drifts" and aqueducts.

In order to avoid excessive highway construction work, the existing geometric characteristics on the highways under consideration have not been altered, and, in

general, they follow the natural contours of the land, thus avoiding large-scale earth-moving and large bodies of water.

The fact that the beneficiaries are being used as manpower is being pointed to in the province as a real contribution toward rural remuneration in the near future, in view of the fact that the system that ended up being started along with the construction will contribute, albeit on a smaller scale, toward the creation of new jobs.

So, for the initial sections of highway already completed, a maintenance system based on "people responsible for the highway" has been introduced on an experimental basis. This system aims to establish an adequate and functional maintenance routine for those same sections of highway, according to a source at MARRP.

Up until now, two and one-half kilometers of sections of highway have been turned over, along with each of the three people responsible for maintenance. To each one of these, manual work tools have been distributed for the performance of their jobs. These same people responsible were chosen from among the beneficiaries who participated in the highway's construction.

Pilot Area 2 (Sussundenga)

The strategy of MARRP's construction and reconstruction project is based on the area-to-area approach, with the planning in one area being carried out simultaneously with the implementation, training, and establishment of maintenance procedures.

The District of Sussundenga, which has been chosen as the program's second area, and where the survey for the planning of future projects is currently taking place, is already benefitting from an agricultural project, namely, from the creation of a network of extension agents and the encouragement of cattle and animal-drawn wagons.

In this manner, the eight extension agents already within the project, divided into an equal number of areas, have already built a corral and a cattle chute to treat cattle, in Chicueu and Munhinga respectively. These extension agents, along with the district's agricultural board, are currently distributing seeds to the peasants so that they will be sown before the first rains.

On the other hand, in Nhamatiquite, nearly 15 km from the district headquarters, MARRP owns an area set aside for the quarantine of animals bought for promotion. We were informed on site that, since the project began in 1989, more than 500 head of cattle have been bought by the program. These will benefit (some already are benefitting) nearly 100 peasants.

More Data on the Program

MARRP was developed beginning with the initial program of GTZ in Manica—that of supplying agricultural components—which was basically an emergency program intended to provide agricultural components to the family sector, material support for small projects, and

methods of training and rural extension work that were also aimed at the target group.

Formerly headquartered in Chimoio, the program was managed from Zimbabwe, with local implementation being carried out by the Red Cross and by the province's Department of Calamities, along with agricultural authorities.

Later, and since the national directives were pointing toward replacing Emergency with Development, a formal reconstruction and development strategy to be followed was agreed upon. That strategy was adopted in April of last year in order to be established on an area-by-area basis, with Machipanda being chosen as the pilot area with the intention of expanding the program to the whole province and eventually to the whole country in the future.

In its current state, MARRP consists of three separate but complementary parts: namely, the rural infrastructure projects, which include the construction or reconstruction of schools, health clinics, granges, access highways and water supply facilities; of agricultural reconstruction, and of coordination and management.

The German technical assistance agency GTZ has its headquarters in Eschborn, Germany. An institution of the German Government, it is oriented toward carrying out specialized planning activities and implementing measures within the scope of technical cooperation with developing countries.

* Agricultural Potential of Chokwe Examined

91AF0540B Maputo NOTICIAS in Portuguese
31 Dec 90 pp 15, 17

[Article by Virgilio Bambo: "Agricultural Potential Yet To Be Explored"]

[Text] When the Limpopo Agro-Industrial Complex (CAIL) was dismantled in 1983, the conclusion had already been reached that managing that "monster" seemed difficult. The dismemberment of the CAIL gave rise to 11 companies, seven of which were in the agricultural sector, three of which were in the cattle-raising sector, and one of which was in rice processing, and all of which were endowed with financial and administrative autonomy. This decision came to define the role that the family and private sectors were supposed to play in agricultural production in the nation's "breadbasket." As a consequence, the task of farming nearly 9,500 hectares fell to the family sector, with various nongovernmental organizations providing important support in the area of rural extension. The remaining sectors ended up with an area of approximately 21,000 hectares. The results of the dismantling of the CAIL were not long in being felt, when in the 1985-1986 agricultural campaign the Province of Gaza achieved the record production of 47,000 tons of rice, with the region of Chokwe having produced 99 percent of this cereal.

The impact of that decision on agricultural production translated into a significant increase in production levels, in crop diversification, and in greater utilization of the land, in addition to the improvement registered in the ability of management of the companies created.

According to the director of the Division of the Economy and Finances in the Cabinet of Direction and Coordination of the Agricultural Companies in Chokwe, Cesar Guitunga, a new force was imprinted on the productive process in all sectors, which was pushed by the introduction in 1987 of the Economic Recovery Program, in spite of some contradictions within the program itself, such as the lack of synchronization of several sectors involved in the productive process. "There are aspects that surpass the ability of the producer here on site and that require that measures be taken in other spheres, because my function is just to produce," stated Cesar Guitunga.

Our interlocutor talked about the policy of interest rates and credits, saying that it is up to the producers to fulfill the instructions and guidance emanating from the Ministry of Finance and from the banks.

"On the contrary, I cannot, as a producer, fix the prices of that which I produce. I have to receive the prices to be charged from above, which does not happen with regard to the producers of pesticides, herbicides, and equipment, and therefore they are free to sell the product of their work any way they want to," lamented our interviewee.

Costs of Production

With the current interest rates, which have gone up from 17 percent to 28 percent, this means that in order to produce one hectare of rice, it is necessary to spend 992,816.00 MT [meticals]. According to explanations given by Cesar Guitunga, this means that with the current price of 212.50 MT per kilo, it is not possible to produce that cereal.

According to our interlocutor, the Chokwe farmers have proposed to raise the current price of rice in the husk at the factory door to 350 meticals, but only in the case of achieving a rate of nearly three tons per hectare at the minimum. "Because otherwise, it is not worth the trouble to produce rice. And I ask, why not liberalize its commercialization?" asked the economic and financial director of the UDA [expansion not given].

He argued that with the liberalization of the prices of vegetables in 1985 (notwithstanding the drastic rise that took place at the time), currently, due to competition, prices have come down so much that tomatoes are being sold at 50 meticals per kilo, and onions at 250 meticals. Because, according to his words, once prices are liberalized, what counts is the cleverness of each one to earn money, and those who produce in the hot season, assuming the risk, will sell a little more in relation to the prices during the cool season, the time of year when it becomes necessary to adhere to market prices.

The need for governmental authorities to take to heart the total utilization of the potential of the water resources which exist mainly in the valleys of Incomati and Limpopo for the production of cereals was one of the matters that merited particular attention on the part of the director of the Economics and Finance Division of the Agricultural Companies of Chokwe. He said that this can only be successful when it becomes possible to sell based on the laws of the marketplace or the costs of production.

Given the controversy during the past campaign surrounding the fixing of rice prices, the producers of Chokwe worked out a proposal directed to the Ministry of Commerce that shows in practical terms that the people who are profiting from the current process of marketing the cereal are the middlemen instead of the producers. As a way of reducing the innumerable irregularities that were recorded in the last harvest, the producers proposed the elimination of this process of district warehouse, with the farmers becoming the main beneficiaries of the results of their work.

Growing Wheat

Aiming toward the total utilization of irrigated lands which are farmed by the State sector, and starting with the present agricultural campaign, an area of more than 310 hectares of wheat was planted on an experimental basis, the results of which are quite encouraging, as Cesar Guitunga told us. He went on to add that it is the objective of the Cabinet of Coordination of Agricultural Companies to try to get wheat production to occupy 60 percent of the total area during the cool season.

State Companies in Chokwe

Information gathered from the boards of directors of seven agricultural companies that were born out of the dismantling of the CAIL indicates that the financial and management situation has improved considerably in at least five of them, except for Conhane and Mapapa, whose negative results in their activity arise from their having been brought into being without a solid base and because of their location in less privileged areas in terms of soils, which has led to rather negative yields.

For Director Cesar Guitunga, the relationship between the companies and the banking industry has been worsening because there has not yet been either time or policies conducive to the accumulation of capital for the national entrepreneur, whether he be private or State-sponsored.

As our source explained, all agricultural activity or part of it has bank credit as its base. "Agriculture is in the countryside, where the action of the armed bandits of Renamo [Mozambique National Resistance] makes itself felt, giving rise to the movement of populations and the blocking of access roads. All this leads to the fact that credits that have been granted are often times not reimbursed, which often gives rise to banks' canceling

new loans, thus creating a vicious cycle which makes liquidation of the debts difficult," said our source.

According to our interlocutor, it is urgently necessary for this impasse to be broken, because the present situation is not only affecting the State sector but also the private sector, becoming even more serious when it is a question of the small producer.

As a result of the obsolete state of the machinery for the operations of harvesting rice, nearly 30 percent of this cereal remains in the fields, in spite of the fact that there is an investment for its rehabilitation.

The majority of the machinery has been in operation for 10 years. Of the 47 machines available and with the responsibility of covering an area of approximately 35,000 hectares under irrigation, many of them have a limited capability for harvest work, which is one hectare per day. With regard to tractors, the situation can be considered stable, insofar as there is a sufficient number of tractors to carry out all farming operations.

* Volunteer Service Accord Signed With Finland

91AF0629E Maputo NOTICIAS in Portuguese
25 Jan 91 p 1

[Text] Yesterday Mozambique and Finland signed the protocol of an accord calling for the provision of services to the government of our country; the accord is to be known as Finnish Voluntary Service [SVF].

According to the accord, Finland will provide qualified professional volunteers to serve in the sectors indicated by the Mozambican Government as priority areas—namely, health, social affairs, and human resources. It will also provide professional training in the agroforestry, environmental, and maintenance services.

The same accord stipulates that the voluntary program will be carried out by the SVF affiliated with the Service Center for Development and Cooperation [CSDC], which will be responsible for the recruitment and training of the Finnish volunteers; it will also include all arrangements involved in carrying out the accord.

The documents relating to the accord were signed by Lasse Parkkila, adviser for cooperation and development at the Finnish Embassy in Maputo, and Jacinto Veloso, minister of cooperation in Mozambique.

The CSDC is the organizational headquarters of 140 Finnish nongovernmental organizations which carry out projects in developing countries.

* Difficulties Facing Repatriation of Refugees

91AF0539B Maputo NOTICIAS in Portuguese
31 Dec 90 p 13

[Text] From 1987 until the end of last October, nearly 60,000 persons, refugees from the neighboring countries, returned to Mozambique through Tete Province. Of that number, over 600 citizens, most of them "Jehovah's

Witnesses," returned to the country on the basis of an organized repatriation process, involving the governments of Mozambique and Malawi and the representative of the United Nations High Commission for Refugees (UNHCR). Last year alone, the organized repatriation of over 100,000 persons was anticipated. That plan failed to be implemented because of financial difficulties besetting the UNHCR. This was reported to our newspaper by Manuel M'Tarava Banda, delegate from the Support Group for Refugees and Liberation Movements [NARML] in Tete Province.

Data recorded from January to October of the year now ending indicated that nearly 3,000 Mozambicans who had taken refuge in Malawi territory returned to the country spontaneously through the districts of Angonia, Tsangano, and Changara. Nevertheless, this number may be undergoing major changes because, with every passing day, there are new arrivals of individuals into the country.

The organized repatriation of Mozambican refugees in the neighboring countries, particularly Malawi, began in 1989, after the completion of the documents for the tripartite accord to which we referred previously. April to November of the same year comprised the time period for the duration of this operation. A few months later, the UNHCR was stricken by financial difficulties that had a negative effect on the plan for the organized repatriation of over 100,000 persons called for last year.

During the year now ending, the only large organized repatriation occurred in September, making it possible for 600 persons to return, as NOTICIAS learned from Manuel Banda. By last October, it was predicted, this number of Mozambicans lodged in the district of Angonia would be heading for their districts of origin in the country's various provinces.

Banda claims, however, that most of the repatriates consist of those who returned spontaneously, or with the aid of the Mozambican consul in Blantyre.

Reliable sources told our newspaper that the organized repatriation of Mozambicans is facing some organizational difficulties. According to the same sources, the Malawi Government itself does not appear very much interested in losing a large reinforcement of labor for its economic and social development projects, which the Mozambican refugees represent. This fact has intensified the already existing notion that the Malawi Government only allows the repatriation of "undesirable" Mozambicans from its territory, as in the case of the 600 persons repatriated last September.

Another detail that could contribute to this notion is the increase in the number of Mozambicans returning to the country spontaneously. In fact, their numbers exceed those of the ones repatriated in an organized manner, and abiding by the well-known tripartite accord.

The spontaneous or independent return of individuals generally occurs in the border districts, where the security conditions may appear relatively better. In addition to the aforementioned districts, the Support Group for Refugees and Liberation Movements in Tete Province recorded the arrival of new groups of persons in Macamga district, where there were nearly 3,000 persons who had returned on their own as of the end of October.

Meager Food Assistance

The daily flow of Mozambicans arriving from abroad in Tete Province is strangling the logistical plan set up by the official structures intervening in the repatriation process. Food assistance is not reaching all the people, "because Tete Province has also received only small amounts of grains," as Manuel Banda remarked.

Our interviewee advocated efficient food support, particularly in the districts where there are the largest influxes of people. He commented: "This would certainly help to raise the number of those returning from abroad spontaneously." The food problem in Tete Province is regarded as serious, if we consider the fact that, during the period 1990-91, there is a food shortage that will affect 15,000 people.

Manuel Banda explained that, in addition to the food problem, the lack of funds for the organized repatriation of Mozambican refugees in the neighboring countries, primarily Malawi, has jeopardized the work already begun. Banda added that the spontaneous returnees recorded to date are mostly from Tete Province.

Reports received by our reporter from the NARML delegation in Tete last November indicated that the Escape Center in Malawi had a list of 1,500 Mozambicans who were or are attempting to return to the country, but that the lack of funds has precluded their repatriation.

When asked to make a statement regarding the material assistance to the repatriates aimed at making them self-sufficient in food, Manuel Banda explained that the Support Group for Refugees and Liberation Movements and other international non-governmental organizations have expended great efforts to supply seed and production implements. Banda observed that, like the food products, such materials have never been sufficient for the large numbers of people showing up every day in the border districts.

According to that official, the problem of the Mozambican citizen returning from abroad should be viewed with complete sincerity by the official structures intervening in the process because, as he argued, meager support has been noted recently. The NARML delegate in Tete observed: "This could cause a setback in the objective that we are seeking to attain."

The Support Group for Refugees and Liberation Movements in Tete Province also assists the refugees being

accommodated in the districts of Mandimba and Micanhelas (Niassa), and Milange (Zambezia). Although the Tete route has proven practical for channeling food and material assistance to those three districts, there is a work overload for this institution, which does not have its own support facilities.

By the end of October, Milange district alone was sheltering 15,000 repatriates, 3,000 of whom were evacuated from the Benga center in Tete Province, where they had arrived in 1987 from neighboring Malawi. Just as in Tete, the return of Mozambican citizens to these two provinces has also been spontaneous.

REUNION

* Threat of War Reportedly Leads to Hoarding

91AF0562A Port Louis LE MAURICIEN in French
14 Jan 91 p 12

[Article by correspondent Jean-Regis Ramsamy: "Hysteria and Hoarding in Major Stores"]

[Text] Reunion—There is reportedly more rice stored up in Reunionese households now than in the bins of the merchants here. And what if there should be a shortage of basic foodstuffs? Could people still live off sweet potatoes, cassava, and corn as they did in the darkest days of World War II? Many Reunionese are pessimistic. As a result, major stores during the last two weeks have been besieged by customers combing the island for rice, sardines, edible oil, soap, etc....

It has been 45 years since Reunionese have felt themselves so threatened by war. Their reactions—discourteous, at a minimum—are sometimes comical if not downright belligerent. Anecdotes are legion in the last two weeks of frantic shopping. In one big shopping center in Saint-Denis, an elderly lady was almost attacked by a group of customers because she was carrying several bags of rice in her arms. The town supermarket in Saint-Andre set a new record, selling three tons of rice in less than 10 minutes. Shortages, mostly of Reunionese food staples, were seen frequently last week in the southern part of the country; they were so severe that a number of merchants opted to "ration" their customers. However, this procedure seemed to have little effect because some families brazenly sent each of their family members to market in turn in order to hoard more rice. To top it all, crowds of shoppers at the major stores were so large suppliers had to stay open around the clock. The entire situation defies all reason and verges on the absurd. There is reportedly more rice stored up in Reunionese households now than in the bins of the merchants here!

And rice was far from the only commodity Reunionese were hoarding with just a few hours to go before expiration of the [UN] ultimatum. There was enough household gas to go around, but officials found that supplies of empty gas bottles were inadequate! In fact, 15,000 more

gas bottles were ordered just in the nick of time. Another much-coveted product: gasoline. Drivers recently have acquired a new habit. They bring gasoline cans with them whenever they go to the service station. Faced with mounting hysteria evidenced by the crazed rush of Reunionese consumers to hoard food and other staples, the authorities late last week were forced to intervene to "regulate" the market. Especially since there was worry in some quarters that normal commerce might be diverted into the black market.

At a press conference called to pacify the Reunionese before the situation should take a tragic turn, prefecture officials gave out information intended not only to reduce tension but also to put offenders on notice. The administration announced that current stocks of rice were unusually high and that 40,000 more tons of it arrived last weekend. We should note that rice is one staple that does not thrive under climatic conditions prevailing here.

There is a two-month supply of hydrocarbon products. In addition, just to be on the safe side, the prefecture has recently asked the island's resupply ship, the "Mascarin," to provision itself with gasoline at Abidjan (Ivory Coast) and with fuel oil at Port Gentil. An additional tanker may also be chartered. Last, it should be noted that most of the island's electricity comes from thermal power stations.

Also, given the large amount of fuel oil in stock and the capacity of the East River hydroelectric station at Sainte-Rose, experts can foresee no problems between now and July. Of course none of this means it is all right to be wasteful! In fact, if the international situation deteriorates, the prefecture does not rule out the possibility of issuing ration coupons, "the objective being to stay under external provisioning for as long as possible," according to sources at the prefecture.

Several ideas have been advanced: establish a food allotment program, issue coupons for gasoline, lower highway speeds, limit each family to one domestic gas bottle. In event of war the Reunionese will have to endure such restraints, unless they can be content with food crops such as cassavas, sweet potatoes, and other vegetables, which they long ago abandoned. Getting back to nature may not be a bed of roses.

ZAMBIA

* Union Support of Political Parties Banned

91AF0622A Lusaka TIMES OF ZAMBIA in English
27 Dec 90 p 1

[Text] The Labour movement or the Zambia Federation of Employers (ZFE) have no right to declare support for any political party as a body unless individual members give a two thirds mandate. Government clarified in Lusaka yesterday.

Labour, Social Development and Culture Minister Cde Lavu Mulimba said at a Press briefing that after the repeal of the Industrial Relations Act which is just awaiting presidential assent mandatory affiliation to the Zambia Congress of Trade Unions (ZCTU) would be phased out.

The 1971 Industrial Relations Act was silent over the powers of the ZCTU and powers of the ZCTU affiliates but the 1990 Act had cleared this.

"Section 35 of the 1990 Act states precisely that each trade union shall maintain its separate status and shall have the right to organise itself as it considers its constitution and shall exercise the right to decide whether or not to affiliate to any political party."

Cde Mulimba was compelled to call the Press briefing following a flurry of contradictory statements on whether the labour movement or the ZFE should support any political party.

The Act, he noted, was meant to restore worker-democracy and not union leader democracy adding that it will be a sad day when it will be realised that workers' rights were being usurped or abused.

"It is not corruption to claim that there is no need for the ZCTU or ZFE to hold a ballot of its affiliates to decide to which party individual affiliates shall or shall not be affiliated to. It is a requirement of the new law that this shall be done. There is no option."

Cde Mulimba dismissed allegations that Government was fostering the concept of divide-and-rule by repealing the Act and also parried charges that the move would weaken the trade unions.

"This is far from the truth. If UNIP wished to weaken or destroy the ZCTU, it would have repealed the provisions in the Act which create the ZCTU and ZFE. This option was available to UNIP."

The new law states that ZCTU and ZFE have no affiliates and appealed to the two bodies to be patient until the President signed the Bill for them to scout for a fresh mandate.

Section 14 of the 1990 Act makes it obligatory for the ZCTU and ZFE to comply with this requirement.

On political activities, he said in future trade unions would ensure their subscriptions were used for improving members' conditions of service.

If the ZCTU and ZFE wanted to take part in political activities, members should agree to form a voluntary political fund from which union leaders could draw money for the purpose.

Employers would also continue deducting subscriptions for members.

Mr Mulimba added: "Individual trade union members and employers associations should take note of the

opposition being voiced by some of their leaders holding political posts in some parties."

* Auditor on 'Irregularities' of Assets Transfer

91AF0602B Lusaka *TIMES OF ZAMBIA* in English
3 Dec 90 p 1

[Text] Auditor-General Mr Stubbs Nundwe has criticised the Government move to dissolve Namboard [National Agricultural Marketing Board] and charged that the transfer of assets to the Zambia Cooperative Federation (ZCF) was fraught with irregularities.

In a special report on the ZCF and provincial cooperatives presented to Parliament recently Mr Nundwe says the assets and liabilities belonged to the tax-payer and should have been properly revalued and sold to ZCF.

"Namboard was a creation of the Government by statute and was wholly owned and financed by the Government, accordingly its assets and liabilities should have been properly revalued and sold to the federation.

"Therefore, the property transfer arrangement was questionable in view of the fact that public property may have been given away gratis."

To meet takeover costs ZCF was given K45,885,474 [kwacha] to clear the Namboard overdrawn accounts, pay long service bonus and housing allowance arrears to married women in Namboard and the retirement benefits of some employees who chose to retire or were declared redundant.

Only K16,176,903 was paid and details of payments were not forwarded for a State audit review as of May 1990. The report adds that it was not clearly stated on whether the amount given to the federation was a loan or grant.

The document describes the documentation on the dissolution and takeover of assets as scanty and unsatisfactory.

It charges that the schedule on land and buildings dated May 19 to September 1989, with a net book value of K70,099,981 taken over from Namboard did not include 44 plots/stands, the title deeds of which could not be ascertained because of lack of records.

The title deeds of land and buildings included on the schedule at a valuation of K14,354,385 were not produced and title deeds of land and buildings valued at K2,399,460 were still in the name of Namboard.

On motor vehicles the report reveals that the schedule dated from September 19, 1989 with a net book value of K8,556,934 taken-over from Namboard did not include 93 motor vehicles, the cost of which could not be ascertained because of inadequate records and of the 68 motor vehicles, 56 had a token net book value as of May 1990.

"I would like to assure you that my Government will do all it can to ensure that resources provided by your great country to Zambia will be put to efficient use."

And Indian high commissioner to Zambia Mr Satnamjit Singh, after signing a cultural exchange programme with the minister, called on Third World countries to cease looking up to the West for their future and instead concentrate on their own potentials.

The cultural exchange programme envisaged contacts in diverse areas covering tourism, archeology, museums, science and technology, mass media, lecture tours, publications, films and documentaries.

Mr Chigaga said Zambia and Indian ties went back to the pre-independence era.

*** Romania Seeks Further Execution of Barter Deal**

91AF0635B Lusaka TIMES OF ZAMBIA in English
20 Dec 90 p 7

[Text] Romania is disappointed with Zambia's reluctance to honour an outstanding part of a \$10 million barter agreement initiated eight years ago.

The Romanian economic councillor Constantin Soare told the TIMES his country was still willing to continue with the barter deal but the Zambian side was silent ever since the two countries first exchanged goods worth \$5 million in 1985.

The first agreement was signed in 1982 but was cancelled because the Zambian side was not able to exchange its key minerals. This was replaced with another agreement in 1985 covering an exchange worth \$10 million.

"But only \$2.5 million worth of goods was exchanged on each side," said Mr Soare.

"Ever since, the Zambian side has been very quiet. My country is ready to continue. But they don't seem ready to continue. We are a bit disappointed," he said.

Under the barter deal, Romania was to give Zambia caustic soda, soda ash, and other raw materials while Zambia was to provide cotton, copper wire, scraps of copper, manganese, manganese dioxide and semi-processed hides.

Romania also needed canned meat, fruit, vegetables, textiles and crocodile skins.

Mr Soare said his government had formed a better export company (Bartex) to deal directly in the barter trade. If Zambia showed willingness to continue "this would be easily done," he said.

"We are in great need of these goods. I have been going to the Ministry of Commerce to follow up the issue," Mr Soare explained.

He said it appeared Government wanted NIEC [National Import and Export Corporation] to do business directly with the Romania company.

*** Apolitical Status for Trade Unions Endorsed**

91AF0622B Lusaka TIMES OF ZAMBIA in English
24 Dec 90 p 1

[Editorial]

[Text] Who is telling the truth? This is a pertinent question which most of our readers will be asking themselves today after reading two contradictory statements from the labour leaders.

ZCTU [Zambia Congress of Trade Unions] chairman-general Frederick Chiluba claimed in Ndola yesterday that the labour movement had formally chosen to back the movement for multi-party democracy (MMD).

But the national chairman of the influential Mine Workers Union of Zambia (MUZ) Mr Jonathan Simakuni told the Kitwe Press that the labour movement would be neutral in the multi-party era. He categorically stated that individual members would choose political parties they wanted to support.

It is interesting to note that Mr Chiluba is also the vice-chairman of the MMD. He has also openly voiced his intention to contest for political leadership.

Most observers will deduce from the foregoing that Mr Chiluba wants to use his duo role as labour leader-cum politician to further his political ambitions.

We say so because we cannot remember the Zambia Congress of Trade Unions calling a general conference of all affiliates at which members passed a resolution to support the MMD.

Had this happened, Mr Chiluba and Mr Simakuni would not have given views which are clearly at variance on such an important subject.

Are policy decisions of the labour movement handed down to members from the top, or reached by consensus? If the former is the case, what type of democracy is the ZCTU executive practising?

We totally agree with Mr Simakuni that the labour movement should remain neutral and allow its individual members the liberty to support a party of their choice.

Any declaration similar to the one made by Mr Chiluba yesterday amounts to coercion. Every member of the union affiliated to the ZCTU is now being forced to back the MMD.

Such manoeuvres negate the very principles of democracy which Mr Chiluba claims to be championing.

All workers, including those who fall under the ZCTU umbrella, must have the right to back UNIP [United National Independence Party] or any party of their choice. That freedom must not be tampered with by anybody.

Zambia has an enlightened workforce which cannot give blind following to any political party.

With affiliation to ZCTU being made optional, we hope it won't be long before trade unions which dissociate themselves from the mother body's decisions opt for a 'divorce' from ZCTU.

* Dollar Scarcity Reportedly Reaching Up Rate

91AF0588C Lusaka TIMES OF ZAMBIA in English
7 Dec 90 p 7

[Text] The high demand and scarcity of the American dollar has pushed the black market rate in Kitwe to K110 [kwacha] for a dollar, it was learnt yesterday.

The rise is prompted by the currency who do their business in the corridors of Edinburgh and Nkana hotels during the day and at night clubs and the hotel casino at night, to get the American dollars from travellers.

Truckers who come to Zambia delivering imports have also been influenced by the high "exchange rate" and are now demanding more Kwacha.

The official rate is K45.88 to one dollar.

Apart from the American dollars the "dealers" also offer other African currencies such as the Botswana pulla, Zimbabwean dollar and the South African rand.

Residents who were interviewed yesterday expressed surprise and displeasure about the ever rising exchange rates and blamed it on traders who shuttle to Zimbabwe and Botswana.

Investigations revealed that dealers were demanding K50 for a rand, K65 for a pulla and K25 for a Zimbabwean dollar.

An employee at Kitwe's Akerue supermarket, Cde David Luswili expressed dissatisfaction with the trend. He urged that culprits should be punished severely.

"Why should the illegal dealers in foreign exchange be left alone. Surely the law enforcing agents should not sit back or drag their feet in ensuring that the shoddy deals are smashed. I recommend that stern measures be taken against culprits," he said.

The truck drivers from South Africa and Botswana have established contacts with Zambians for the trade. They offer the money to Zambians travelling outside.

The same drivers have also entrusted Zambians to carry out the exchange activities for them while they are busy with companies where they deliver goods. The Kwacha equivalent which they receive is used for buying their needs while in Zambia.

* CFB Chairman Warns of Corn Shortages

91AF0588A Lusaka TIMES OF ZAMBIA in English
14 Dec 90 p 7

[Text] A serious shortage of maize looms next year unless farmers increase their plantings, the Commercial Farmers Bureau [CFB] warned yesterday.

Farmers have been squeezed by a number of factors that include sub-economic 1989/90 producer prices, credit restrictions, high interest rates, fuel price increases, late payment for crops and uncertainty about the producer price for the current season's crop.

CFB chairman Mr Ben Kapita says in a statement that farmers had so far planted very little maize.

"This could result in a serious maize shortage during 1991, and imports might be necessary," he said.

The chairman said although it was impossible to predict what free market prices might be paid in this situation, he believed there were good prospects for remunerative price levels.

The Agriculture Ministry, he said, was considering increasing the floor price to K500 [kwacha] per 90kg bag, which had been completely overtaken by fuel and interest rate hikes. He could, however not confirm that producer prices will definitely rise.

The bureau would invite millers and purchasers of maize to register with CFB so they could get in touch with farmers wishing to negotiate contracts for delivery of maize in 1991 "at prices related to CFB cost of production model at the time of delivery."

The contracts would provide "such farmers with an assurance of reasonable prices," he said.

It was not late for farmers to increase their maize production, Mr Kapita said.

* Traders Demand Payment of Mealie Meal Coupons

91AF0588B Lusaka TIMES OF ZAMBIA in English
12 Dec 90 p 7

[Text] About 31 local traders stormed the post office in Livingstone yesterday over the non-reimbursement of the mealie meal coupons totalling several millions of Kwacha [K].

But despite their aggressive approach to the problem, the move bore no fruit. The management told them that it had no money to fulfill that financial obligation.

In a bid to sort out the issue, the group later sought audiences with provincial, district and political officials who re-directed them back to the post office.

Representatives of the traders Mr Kabichani Mukolopa, Mr Mwangala Simasinti, Mr Likando Sibeledi and Mrs

Balengu Siloka who are owed slightly over a quarter million Kwacha, said they felt cheated.

Mr Mukolopa said as patriots they had given the authorities sufficient time in which to pay them, "we now want our money today."

He wondered why the problem on reimbursement of the mealie meal coupons funds seemed to be prevalent in Livingstone alone in Southern Province.

Mr Mukolopa who is owed K300,000 said the administration at the post office and the Government would be to blame for whatever action that the traders may decide to take in a bid to recover their money.

He said as the responsible institutions were blaming each other for the delays, the traders did not know whether it was the Government or the post office which was sitting on their funds.

The representatives expressed worry that their businesses may be adversely affected because their capital was stuck in the coupons.

The coupons fund was supposed to have been revolving to generate more profits.

District executive secretary Mr Fedinard Mwanza could not be reached for comment on the issue.

Meanwhile, the Zambia Cooperative Federation (ZCF) has hauled all maize to safety except in Northern Province where operational problems have slowed down the exercise, ZCF chairman Mr Goodson Willima said in Lusaka yesterday.

He was allaying fears by some truckers that this year's produce would go to waste because of an alleged hazardous handling of the haulage exercise and lack of storage facilities.

The injection of additional trucks by provincial cooperative unions had eased the transport business and the question of crop going to waste was out.

Recently some truckers had complained of loss of business because of lack of coordination between Nitrogen Chemicals of Zambia (NCZ) and ZCF on the distribution of marketing inputs and maize haulage.

ZIMBABWE

* Loan Scheme To Help Urban Authorities

91AF0645C Harare *THE HERALD* in English
11 Jan 91 p 1

[Text] (Ziana)—A loan scheme to provide about \$695 million to Zimbabwe's 20 urban authorities to develop essential services and service residential land for their rapidly expanding populations was launched yesterday.

The housing and essential services development project, with 80 percent of the funds coming from the Government and the 20 percent foreign currency component from the World Bank and Nordic Development Fund, was launched by Acting President Muzenda.

Outlining the problem faced by urban councils in providing essential services, Cde Muzenda said that at independence in 1980 just 17 percent of Zimbabwe's people lived in towns and cities. Thanks to natural urban increase, and more importantly the migration of six out of every 100 rural people to towns every year, about half the larger population would be urban dwellers in 2000.

All towns and cities had housing backlogs and these were lengthening every day as populations rose.

Addressing provincial governors, mayors, urban council officials and local government ministry staff at the launch, Cde Muzenda urged urban councils to take urgent steps to clear the backlog now that funds had been made available.

The project, the second such since independence after a smaller scheme in 1984, had several components.

There is \$60 million for housing. This money would be used to service stands for low and middle-income earners, those earning between \$450 and \$1,000 a month. The loan funds would also be used for the local commercial, industrial and recreational facilities.

The finance for the actual housing would be provided by building societies, who would provide loans to cover both the purchase of the plot and the construction of the house.

The bulk of the money lent to councils would go on developing and expanding essential services, water, sewerage, roads, refuse removal trucks and the like. There was \$35 million for sewerage including construction of trunk mains, pumping and treatment facilities.

Water supplies were allocated \$68 million for augmenting bulk water storage, treatment, pumping, trunk mains and reticulation. Roads and drainage would absorb \$23 million for all non-gazetted roads (the non-main roads) in urban areas.

Another \$81 million was set aside to buy needed plant, equipment and vehicles for urban services and infrastructural maintenance.

A pilot scheme for regional development would concentrate on the development role of small growth centres and secondary towns in rural and communal areas. Included in this component was the preparation of the combination development plan and investment strategy for the Greater Harare area, at a cost of about \$10.6 million.

Cde Muzenda made it clear that ratepayers could not expect benefits for nothing. "Local councils must make it clear that this project is based on full cost recovery right

across the board," he said. This means that councils, while not making a profit, will be required to break even when fixing the fees to pay for the boosted services.

Cde Muzenda wanted the 20 eligible councils, including the new towns of Bindura, Rusape, Karoi and Gwanda, to "take urgent steps to qualify and implement the project as a matter of urgency."

* Long-Term Loan Agreement Signed With Finland

91AF0645D Harare THE HERALD in English
11 Jan 91 p 14

[Text] Zimbabwe and Finland yesterday signed a \$100 million loan agreement which will be used to procure capital goods and inputs for the productive sectors from Finland, and to finance imports from the SADCC [Southern Africa Development Coordination Council] region.

This is the eighth development credit Finland has made available to Zimbabwe since 1982, with an interest rate of 0.75 percent a year, a seven-year grace period, and a repayment period of 18 years.

Senior Secretary for Finance, Economic Planning and Development, Cde Elisha Mushayakarara, who signed on behalf of Zimbabwe, said the low interest rate and the long maturity period made the loan so favourable that it would not adversely affect the debt service payments.

"The fact that the loan is spread over three years, means that Zimbabwe will have a guaranteed and predictable access to the Finnish goods and services for the next three years," he said.

By ensuring that 20 percent of the loan was used to finance imports from SADCC member states, he said Finland was making a great contribution towards the economic development of the region.

In reply, the Finnish Charge d'Affaires, Mr Herikki Tuunanen, said Finland would continue with the development credit programme to support Zimbabwe's commodity import programme.

He said the loan came at a time when Zimbabwe was implementing its economic structural adjustment programme.

* Mozambique Postpones Freight Charges Change

91AF0646A Harare THE HERALD in English
29 Dec 90 p 9

[Text] (Ziana-Reuter)—Mozambique Railways (CFM) has postponed for a month the introduction of new hard currency freight charges that could drive Zimbabwe and other Southern African importers away from Mozambican ports.

Mr David Zausmer, managing director of the private Beira Corridor Group, said yesterday that the CFM had

agreed in a telegram to the group to put back the introduction of the new charges to 1 February to allow for further consultations.

Mr Zausmer said that, if the Mozambican proposal went into effect, it could divert traffic away from Mozambique's main ports at Maputo, Beira and Nacala.

"People may possibly consider diverting cargo to South Africa, and once that's done it's going to be very difficult to attract them back," he said.

He estimated it was about \$1,000 cheaper to import a container to Zimbabwe through Beira than through a South African port.

Under the current system, importers pay freight fees in local currency at the destination and settlement is made by the National Railways with the CFM.

The sudden announcement in mid-November that Mozambique Railways planned to charge hard currency fees for transport of freight from Mozambican ports to their final destination threw a major scare into importers in landlocked Southern African states.

Importers in Zimbabwe, for example, would be unable to pay such fees under existing foreign exchange regulations without Reserve Bank approval. Zimbabwe's National Railways would also be hit, with freight charges being first paid to the CFM.

* Decline in Annual Mineral Earnings Reported

91AF0646B Harare THE FINANCIAL GAZETTE
in English 4 Jan 91 pp 1, 2

[Excerpt] Zimbabwe's mineral earnings for the financial year ended 30 June 1990 plummeted 2.2 percent to \$1.19 billion compared to the previous year, the Minerals Marketing Corporation of Zimbabwe (MMCZ) announced yesterday.

The corporation, which handles all the country's mineral sales except gold, attributed the drop in earnings to several factors but mainly due to large decreases in sales of some of its chief minerals.

It reports that Zimbabwe's sales of ferro alloys, one of the country's key export minerals, dropped 16.4 percent during the year under review, of nickel, another important export mineral, by 7.9 percent and 1.4 percent for copper and its various by-products.

The state-owned corporation says increases in sales of other minerals such as iron and steel, gemstones and asbestos of between 2.2 percent and 97 percent failed to stem the slide in earnings from mineral sales.

"Although there were increases of sales of other minerals such as asbestos, 19 percent, iron and steel 0.4 percent; petalite, 72 percent; graphite, 97 percent; gemstones, 2.2 percent and other minor minerals, 32.3 percent, this was not enough to equal last year's turnover," said the MMCZ chairman, Mr Elias Mutowo.

In other related financial matters, the corporation said its operating surplus for the financial year under review dropped 25 percent to \$5 million from last year's \$6.93 million.

This, it said, was mainly due to the corporation's 22 percent rise in operating costs which jumped from \$6.14 million in the 1989/90 financial year to \$7.5 million in the period under review.

In the operational area, the MMCZ said its new headquarters in Masasa would be completed at the end of this month and it would open a sales office in Zurich, Switzerland, next month which will handle mineral marketing in that part of Europe.

It said it was also negotiating with freight companies for lower rail and port rates to export markets, and assailed THE FINANCIAL GAZETTE for allegedly not appreciating its efforts to cutting costs and losses in reports last year. [passage omitted]

* Steel Industry Rehabilitation Facing Problems

91AF0646C Harare THE FINANCIAL GAZETTE
in English 11 Jan 91 p 1

[Article by Rangarirai Shoko]

[Text] The \$2.5 billion Chinese rehabilitation of the Zimbabwe Iron and Steel Company (Zisco) faces a serious threat of derailment due to several factors including a back-and-forth style of decision-making by the government, company sources said this week.

The sources said the billion-dollar project had hit snags ranging from what they described as incompetence on the part of the Chinese experts, and the frequent intrusion of politics in most government decisions relating to sourcing of plant and equipment.

They said the majority of the so-called Chinese iron and steel works experts "are completely in the dark about the operations of such a plant" and 60 of them from an original team of 80 had been withdrawn by either their government or by the authorities here.

The Chinese, the sources said, did not in the first place apply to undertake the rehabilitation project but were only contracted by the government, over-ruling Zisco's own tender committee which had recommended that Japanese firms carry out the \$2.5 billion project.

Short of the required manpower and expertise, the Chinese Government is said to have put together an 80-member team drawn up from various iron and steel plants throughout China to carry out Zisco's rehabilitation.

This, it is said, explains the incoherency of their rehabilitation operations which, among other things, is shown by their failure to regularly produce work schedules detailing new modes of operations at the iron and steel works as required.

So far, only two coke ovens had been rehabilitated but they cannot be fired because the company's furnaces were not simultaneously modernised and therefore, cannot operate with the increased power output of the ovens.

The sources, saying the operations of the giant iron and steel works were in danger, said the Chinese-designed rehabilitation programme had also ignored the urgency of the construction of a sinter plant—which would treat iron ore from a new source—despite geological findings that the present source of iron ore of a type which does not need purification, would dry up in less than three years.

"One would have thought these people would begin with the sinter plant above all else," said the sources.

"The plant is intended to purify iron ore obtained from a new alternative mine that Zisco plans to develop so it fits into the company's present blast furnaces which can only take ore from the present Buchwa source without treatment."

Also completed, partially though, is the flat products mill, but government bureaucracy is said to be holding up the delivery of Swedish equipment for the plant despite Zisco's payment of a \$13.5 million deposit.

The sources said the government wanted to over-turn the company's tentative agreement—which is in the form of a letter of intent—with the Swedish suppliers of the equipment in preference to those it had identified elsewhere.

They said the back-and-forth type of decision-making by government, which is seeking sole ownership of Zisco, threatened to push up the rehabilitation cost to over \$3 billion by the end of next year and to reduce the company's prospects on the international market.

* Commercial Farmers Call for 'Fair Deal'

91AF0645B Harare THE HERALD in English
12 Jan 91 pp 1, 3

[Text] The Commercial Farmers' Union [CFU] has called for the formation of a land settlement board to determine the course of the resettlement programme and ensure all parties in land disputes are fairly represented and rewarded.

This board would be chaired by a retired High Court judge and have as members: the chairman of the Natural Resources Board, a nominee of the CFU, and the secretaries for Lands, Agriculture and Rural Resettlement, for Environment and Tourism, and for Local Government, Rural and Urban Development.

Each province would have a provincial board with the governor as chairman sitting with the provincial resettlement officer, Agritex officer, the CFU branch chairman, the group ICA [expansion unknown] chairman and a private sector representative (preferably

an accountant or a lawyer) as members. The provincial boards would be responsible to the national board.

The provincial boards would target areas for resettlement by identifying suitable properties within their provinces and would evaluate fully the economic and local social impact of resettlement.

The proposals by the CFU, representing more than 4,000 large-scale commercial farmers, mostly white, came in the wake of the Constitution of Zimbabwe Amendment (No 11) Bill, which gives the Government the powers to compulsorily acquire land for resettlement.

Outlining the details of a 10-page document, titled *Proposals for Land Reform for Zimbabwe 1991*, was the CFU's vice-president, Mr Anthony Swire-Thompson. The meeting yesterday was held at the Harare International Conference Centre.

The farming community has questioned the powers given to Parliament which will now determine the price of land that the Government seeks to buy. The compensation for such land could be "fair" and paid to the seller within a "reasonable time" instead of "promptly" and "adequately" as before.

The CFU has in its document stated that the land acquired should not be to the detriment of the agricultural industry. It listed six priorities that the national board should consider before acquiring land.

These are: existing unoccupied purchased land; land voluntarily offered for sale to Government; unproductive land, irrespective of ownership; State land and Arda properties, including the Cold Storage Commission ranches and forest land; land owned by absentee foreigners and land owned by multinational companies.

The CFU stated that all land held by the Government but not yet settled must first go to resettlement. With regard to State land, the CFU did that in view of land hunger and limited resources, there could be no justification for the State to participate in commercial farming other than through the development of infrastructure for resettlement.

To guard against wasting land, the union said agricultural land must be used for agricultural purposes by people competent to do so. Zimbabwe did not have the resources to settle people for social reasons or because they were unemployed, said the CFU.

It was, therefore, important that only active Zimbabwean farmers with proven expertise or training were eligible for resettlement and that there would be no discrimination in colour, creed or sect. The CFU advocated that all settlers undergo extensive and appropriate training to boost productivity and that this be an ongoing exercise.

The CFU was willing to help the Government in this training programme. It said, however, that the Government must learn from its past mistakes in resettlement. This time those resettled had to go on land with completed infrastructure such as roads, clinics, schools, accommodation and buildings.

The policy of placing families on vacant land had resulted in indiscriminate cutting of trees, among other destructive activities pursued by the settlers.

To promote a sense of belonging, the CFU suggested that settlers have leasehold rights over their properties for three years.

If proved that the settler was competent, they could then acquire title to the land. The current ratio of extension worker to farmers was unacceptable, if the programme was to succeed.

On land that would be acquired compulsorily, the CFU said the acquiring authority should give notice in writing to the owner of its intention and set out conditions under which the acquisition would take place.

The union recommended two years notice to enable the owner to wind up his affairs properly and make arrangements for relocation, if this was necessary.

The land to be acquired should be approved by the appropriate provincial board after making sure that it was suitable for the purposes intended. Where there was objection to a proposed compulsory acquisition, the Government should apply to the Administrative Court for permission.

On taxation, the CFU said all land acquired compulsorily should be free of capital gains tax. All taxes including any land tax, rural council rates and income tax should be waived during the two years of winding up business prior to takeover.

Under no circumstances should any owner be rendered insolvent or destitute as a result of compulsory acquisition, the CFU said.

The CFU said there should be no law against people having more than one property as long as they were all fully productive. As long as an owner was productive and maximising employment opportunities, there should be no more prejudice than in the case of a chain store owner or bus company owner.

Stressing the importance of the agricultural industry to the country, the CFU said it formally produced marketed products worth \$2.2 billion which contributed \$1.4 billion or 42 percent of the country's foreign exchange earnings. A further 59 percent of the industry's raw material requirements were provided by agriculture and 66 percent of the industry's products and services were consumed by agriculture.

The Joint President's Agricultural Committee report covered in the document said future resettlement must

provide absolute security of tenure. The CFU said if the Government carried out its stated policy of acquiring 6 million ha of commercial farm land, more people would be displaced from productive employment than would be settled.

There was no thought at the moment as to the fate of these employees and their dependents. If 6 million ha were taken, the CFU forecasts that national production would fall from \$2.2 billion to \$500 million, while exports now at \$4.5 billion would fall by \$425 million.

BENIN*** Official List of Registered Parties Issued**

91AF0637A Cotonou LA NATION in French
16 Jan 91 p 3

[Text] In anticipation of the upcoming 17 February, 1991 legislative elections, the minister of the interior issued the list of duly registered political parties on Friday, 11 January, 1991. After checking the different parties' files for conformity [with ministerial requirements], in accordance with the provisions of the 13 August, 1990 law No. 90-023 establishing the charter for political parties, 34 political parties were authorized to file their list of candidacies. They are:

1. The Democratic Renewal Party (PRD) of Mr. Adrien Houngbedji;
2. The Movement for Democracy, Solidarity, and Development (MDSD) of Mr. Francois Kouyami;
3. The Union of the Forces of Progress (UFP) of Mr. Machioudi Dissou;
4. The National Rally for Democracy (RND) of the attorney Mr. Joseph Adjignon Keke;
5. The National Party for Democracy and Development (PNDD) of Mr. Joseph Copiery;
6. The Liberal Democrats' Rally for National Reconstruction (RD-L) of Mr. Severin Adjovi;
7. The People's Republican Union (URP) of Mr. Michel Bamenou Toko;
8. The Union of Beninese Democratic Patriots (UPDB) of Mr. Hermann Codjia;
9. The Alliance for Social Democracy (ASD) of the attorney Mr. Robert Dossou;
10. The Movement for Democracy and Social Progress (MDPS) of Mr. Joseph Marcellin Degbe;
11. The Builders and Managers of Freedom and Development (BGLD) of Mr. Thomas Koavi Goudou;
12. The National Union for Justice and Progress (UNJP) of Mr. Zanfongnon Felix;
13. The Democratic Party for National Unity (PDUN) of Mr. Vincent Awounou;
14. The Alliance for Democracy and Progress (ADP) of Mr. Akindes Adekedjou;
15. The Social Democratic Party (PDS) of Mr. Bruno Amoussou;
16. The National Union for Democracy and Progress (UNDP) of Mr. Emile Derlin Zinsou;
17. Our Common Cause (NCC) of Mr. Albert Tevoedjre;

18. The Social-Democratic Block (BSD) of Mr. Michel Magnide;

19. The Movement for Solidarity, Union, and Progress (MSUP) of the attorney Mr. Adebo Adeniyi;

20. The Union for Democracy and National Solidarity (UDS) of Mr. Adamou N'Diaye Mama;

21. The National Movement for Democracy and Development (MNDD) of the attorney Mr. Bertin Borna;

22. The Democratic Union for Economic and Social Development (UDES) of Mr. Gatiou Houngbedji;

23. The Democratic Union of the Forces of Progress (UDFP) of Mr. Timothee Adanlin;

24. The National Party for Solidarity and Democracy (PNSD) of Mr. Kouagou K. Rigobert;

25. The Union for Freedom and Development (ULD) of Mr. Marius T. Francisco;

26. The Rally for National Sovereignty (RASN) of Mr. Houedako Koovi;

27. The National Union for Solidarity and Progress (UNSF) of Mr. Eustagne Sarre;

28. The National Labor Party (PNT) of Mr. Inoussa Bello;

29. The Union for Democracy and National Reconstruction (UDRN) of Mr. Azaria Fakorede;

30. The Rally of Citizens for Truth (RCV) of Mr. Assogba Kpssou Loth;

31. The National Congress for Democracy (CND) of Mr. Raphael Noumagnon;

32. The United Front for Renewal and Democracy (FURD) of Mr. Adrien Adjalla;

33. The National Party (PN) of Mr. Johnson Benyi;

34. The Democratic Union for Social Renewal (UDRS) of Mr. Denis Amoussou-Yeye.

*** RND Party Conference Selects Candidate**

91AF0637B Cotonou LA NATION in French
15 Jan 91 pp 1, 3, 8

[Article by Romuald Binazon: "RND Conference Sessions End"]

[Text] The working sessions of the National Rally for Democracy (RND) national conference, which were held last 12 and 13 January in Cotonou's Arts and Culture Hall, are over.

The candidate that will represent the RND in the upcoming March 1991 presidential elections is known: It will be the bar president, Joseph Keke.

The National Rally for Democracy is made up of men and women militants from two former large political parties, the Dahomey Republican Party (PRD) and the Democratic Union of Dahomey (UDD). They decided to come together as brothers, inspired by the same love and same sense of duty to our common homeland, Benin, on 12 March, 1990 in Cotonou. The RND's main objectives are: to combat regionalism; to create national unity; to build a state based on law; to advance [the lot of] the Beninese people by improving living conditions, especially of the working masses and the nation's poorest segments; to implement a high-priority program to train and employ young people; and to build an economy based on freedom and solidarity, and regulated by the state to promote social development that benefits all segments of our society.

For two days, the RND conference participants examined the statutes and internal regulations, the party's finances, the organization of the campaigns for the upcoming elections, and the program for government.

The four committees that had been formed did a remarkable job. It was exactly 0030 when the general political committee reporter announced that the RND national conference had decided to invite the bar president Joseph Adjignon Keke to run as a candidate in the next presidential elections of March 1991. At this announcement, the audience winced, cited articles 2 and 48 of the statute, and asked that the democratic rules be followed correctly. For some RND militants were at a loss to understand the criteria that had propelled the bar president Joseph Keke to the position of candidate in the upcoming presidential elections. Consequently, not having had the time to digest the proposal of Joseph Keke, they resented his candidacy. Apparently it is not written anywhere in the statutes that a candidate can be imposed on the room.

A split among the militants—and at one point, total desolation—was noted during the RND national conference. The debates were rocky and sometimes came very near to degenerating into regionalist clashes. Confronted with the chaos, the president Justin Ahomadegbe made a speech in which he attempted to restore calm, asking the RND militants to avoid passionate and useless debates. He explained that the party needed a sound candidate, possessed of integrity and a good education, who had suffered "with us" during 17 years of dictatorship by the defunct ex-government of the People's Revolution Party of Benin (PRPB). Personally, he backed the candidacy of Joseph Keke for the highest office.

Rising in turn to speak, the RND secretary general and attorney Joseph Keke first expressed his joy at being asked to run as the presidential candidate. He then pointed out that the young generation was right to act as it did to oppose his proposal as a candidate, because it acts as a foil.

The bar president Joseph Keke does not want confidence to be destroyed and is counting on unity to defend the

homeland. He concluded by saying that the door of the RND is open to all alliances.

After listening attentively to the advice of the wise president Justin Ahomadegbe, the room threw its support behind the candidacy of Joseph Keke, quoting this folk adage: "You do not wash your dirty linen in public."

Who Is Joseph Adjignon?

Born 5 December, 1927, Joseph A. Keke is an agronomical engineer with a degree from the Paris School of Law. He is also an appellate court attorney and a former bar president. He held the positions of minister of the economy, and of the plan and justice, respectively. Today he is vice-president of the High Council of the Republic.

GHANA

* Nine Killed in Upper East Communal Fighting

91AF0644D Accra PEOPLE'S DAILY GRAPHIC
in English 17 Jan 91 p 1

[Article by Iddrisu Seini, Bolga]

[Excerpt] Nine persons are officially reported to have been killed and 42 wounded in a two-day communal fighting between the people of Mirigu and Kandiga in the Kassena-Nankana District of the Upper East Region.

Many houses and barns with foodstuffs belonging to the people of Kandiga have also been burnt down.

As a result, the people of Kandiga including their chief, fled to nearby villages such as Navron Loko and Sirigu for refuge.

Mr L.K. Molbila, Upper East Regional Secretary and Chairman of the Regional Security Council (RESEC) told the GRAPHIC in an interview at Bolgatanga yesterday that the fighting was over the alleged naming of a health centre which is between the two villages. [passage omitted]

GUINEA-BISSAU

* Movement Toward Democracy, Market Economy Seen

91AF0576A Paris JEUNE AFRIQUE ECONOMIE
in French Jan 91 pp 96-100

[Article by Michel Lobe Ewane: "The Big Turn Towards Liberalism"]

[Text] The traveller who lands for the first time at Bissau airport is struck by the modesty and bareness of the facilities. They remind you of a factory warehouse or storage shed during seasonal activities. Yet, passengers have a hard time clearing a passage through the police formalities and the merry confusion reigning at the

checkpoints. Once you get over your surprise, you remember that you are in a poor country, one of the poorest on this planet.

However, as soon as the visitor has encountered the city and it has opened for him the secret of its streets that frequently bear the names of liberation war heroes, as soon as he has enjoyed the hospitality of its homes and the reception of its officials behind the sober facades of its colonial buildings, when he has rubbed elbows with its proud and dignified people, and he has met the glance of its beautiful black and Creole women, he ends up by becoming attracted to this capital.

In truth, if you relied on the Portuguese names of the people and streets, you would think that you were in a novel by the Congolese writer, Sony Labou Tansi. Of course, we could have found an Estina Bronzario, a Delos Santos, or even a Colonel Pedro, these heroines and doomed characters created by the novelist of the absurd, the writer who knew so well how to sketch and caricature contemporary African society. However, although it was the symbol of military victory over colonialism, Guinea-Bissau is far from being or living a story from a novel. With a per capita income of barely \$120 a year, and government salaries averaging the lowest on the continent—the monthly salary of a minister is \$50 and the head of state himself is on the government payroll at \$100 a month—people here know perhaps better than elsewhere what the battle against poverty means.

The Country Turning to a Market Economy

And yet, as you might guess, even here there are "the poorest of the poor." The people living in the region of Biombo in the north belong to this category. And President Nino Vieira's visit to a small lost village in these northern lands at the end of a winding, dusty, and rutted path was symbolic of this.

This trip by the president, on which we were invited, clearly shows the complexity of the political and economic turn that the country is in the process of making. At a time when, as elsewhere in Africa, the wind of liberalism is sweeping away the last hopes of social discourse, Guinea-Bissau is in training for a market economy and a multiparty system.

With a khaki shirt, blue jeans, and sports shoes, it was a relaxed, smiling, jovial, and easygoing president who went into the back country. This president, who does not really know what a structural adjustment plan means, who does not understand any of the subtleties of a multiparty system, who does not have the resources to get involved in the battle for sharing the dividends of privatization of the economy. Yet, it is obvious that Nino Vieira prefers these settings with a tirade of populism to the more traditional style full of solemnity and pomp that he would nonetheless adopt a few days later when he presided over the conference of heads of state of Portuguese-speaking countries.

Ondame, the small village, awoke early on a beautiful, sunny morning in November to celebrate Nino Vieira's arrival. We found ourselves in the heart of the former kingdom of Pepel, known for strongly resisting the penetration of Western culture, because in fact it had been founded on powerful roots of the animist tradition. It was hardly a prosperous kingdom, and contemporary civilization, colonization, and also the development of the neighboring city of Bissau all contributed to its marginalization. The rural exodus, geographical isolation, the virtual lack of roads, hospitals, and schools, but above all a social structure and cultural values resistant to modernization kept the region from advancing.

Prosaic images like this ceremony at which a crowd of peasants is grouped together to await some important announcements that could upset their daily existence, like these young children wearing their school uniform, wearing their patriotic scarves around their necks, singing the national anthem, like these old men with a mysterious look in their eyes and their pagnes knotted on their shoulders, whose presence evokes the past and tradition. The speech by their representative emphasized the hopes of the people of Biombo. Here, they want a paved road to free the region from its isolation, and to enable them to sell their produce. They want administrative infrastructure, schools, dispensaries. The governor of the region and the governing minister of the province told the crowd what they wanted to hear. But will the constraints that the International Monetary Fund has imposed on the government budget allow for these investments?

The crowd, more attentive than enthusiastic, seemed to be wondering whether Biombo had been forgotten. Nobody, however, wanted to believe that. "Nino" has come, so we have the right to hope. "He is a good fellow, the best," the old chief said. He deserves to wear the black pagne. The village priestesses would help him wear it. This act should protect him against all evil fates. Thus he was now immunized. So did he feel stronger, now that he was armed with this mystical protection? More at ease, in any case, he was there to defend his administration, to justify the structural adjustment program (SAP) and a multiparty system, to announce that anyone who wanted to create a party could do so, and to report that soon the longstanding project for a paved road would become a reality, despite the IMF's constraints. But he also praised the virtues of economic liberalism and denounced the mistakes of the administration of his predecessor, Luis Cabral, curiously part of all the president's important speeches. Did the peasants of Ondame understand this talk? In any event, if they applauded at the announcement of the road, they seemed dubious over the idea of a multiparty system. They had a hard time understanding the meaning of these political complications. But, as after the war, as after independence, as after the coup d'état on 14 November 1980, they were ready to follow, because that was what they were asked to do.

Back to Bissau. Far from the dust, far from the frenzied rhythms of the groups of traditional *Pepele* dances, far from the pious and disciplined crowds in Ondame village. Cocktails at the Sheraton. BCBG ambience in the largest hotel in town, a building designed by the Senegalese architect Pierre Goudiaby. It is the place in the capital. It is where all the VIP's meet and where the foreign economic agents stay while on their business trips to the country. This evening, all the leading personalities in town, the entire "microcosm" of local neocapitalism has been invited to the baptism of a society created in the spirit of the prevalent talk about joining local private capital with foreign capital. Carlos Gomes, the star of the day, CEO of the fuel distribution company, and the darling of the Guinean business class, is going to announce the start-up of Petromar, a company specializing in the distribution of oil to ships. He is associated with a Portuguese group. The man has numerous businesses, supermarkets, a construction company, a travel agency, farms, villas, etc. In short, he is the local billionaire with the highest profile. His construction company was contracted to build the brand new airport. A self-taught man, he, like his Guinean peers, made it the hard way. His background sums up the good qualities and the shortcomings of the local investors. For up to now these investors have only done business in the services sector, and specifically in commerce and real estate, although many today are going into agriculture. Industry is still waiting for its first Guinean manager.

"An Enormous Potential In This Country"

"Yet this country has an enormous potential," maintains Adolphe Eboume, the Cameroonian manager of the Kamay International Research Office. "Since our company set up offices in this country two years ago, we have been able to measure to what extent transformations in the economy have gradually opened up unsuspected opportunities. We have a contract with a local bank. We help the customers who request investment credits to put together well-designed projects. There is currently a certain dynamism in the field of agriculture. Promoters increasingly are understanding that, even in this area, there must be good management. But aside from this sector, we are realizing that there are a number of things that can be done in the area of semiprocessed agricultural and food products, such as conditioning and packaging of products such as cashews, tomatoes, and fruits." Adolphe Eboume and his partner, Albert Knoango, believe in the country's economic future. "The people here need to form partnerships with foreign groups," says Eboume. The two Cameroonians have another company, Promo sport, specializing in marketing sports articles and advertising. It created the first weekly sports magazine in the country, *O DESPORTO*, together with some Guinean partners. It manages a soccer club and is also involved in audiovisual advertising, through promotion of national television. The next stage will be urban billboard advertising.

In any case they very quickly took the pulse of the Guinean economy. For them, it beats at a good rate. The

minister of economy and finance will have more to say in this regard. After several failed attempts to meet with the head of current economy policy, we waited around in the corridor outside his office. It was after 1900 that Tuesday evening when the state minister in charge of economy and finance, Manuel dos Santos, finally came out of his ministry's conference room where he was holding a meeting with businessmen. Merchants, executives in the banking sector, various investors. He was finally able to meet with us. And we knew that he was undoubtedly a very busy man these days. The next day he was to meet with the IMF experts arriving from Washington.

"The Least Regulated Economy in the Region"

The man has style. And his elegance is intellectual as well. He speaks the best French we heard in this Portuguese-speaking country, where nearly all the high officials have mastered Moliere's language, too. With flecks of gray in his hair and beard, slim, with an educated look and humor in his eyes, this leader is assuredly one of the most brilliant members of the country's ruling elite. An intimate friend and confidant of the president of the Republic, he has been a minister since the first day of independence. This mestizo who is originally from Cape Verde was one of the commanders of the northern region during the war of liberation. After independence, he decided to remain in Bissau, although his family is still in Cape Verde. "I feel just as Guinean as I do Cape Verdean," he says when asked about his origins.

Manuel dos Santos took over as head of the Ministry of Economy and Finance in 1990, at a particularly difficult point in time. Of course, the move towards a market economy had already been negotiated, as had the structural adjustment program with the IMF. But, in 1989 the IMF decided not to renew the credits granted to Guinea-Bissau under the structural adjustment facility (SAF) in 1987 for three years. The reason was that Bissau was not observing the conditions that went along with this program. The meeting with experts from Washington was to discuss the possibility of reinstating the SAF.

"The primary objective of our current economic policy is to stabilize the economy," the minister explained to us. "For a long time, we have pursued a relatively unrealistic policy that has generated inflation and imbalances. Now we are trying to restore the necessary macro-economic balances to put the machinery in motion again. This is the goal of the structural adjustment program and the liberalization policy in place at the present time." In his opinion, Guinea-Bissau has made enormous progress in this area. "Today we have the least regulated economy in the region. We have only one price control throughout the territory: for fuel. These liberalization measures have had a very important impact on domestic economic life. For instance, our growth went from 5 percent in 1988 to 8 percent today. The reaction of businessmen has been surprisingly vigorous. In 1986, for example, government

commercial networks accounted overall for 85 percent of the total volume of trade in the country. They account for only 10 percent today."

However, there are plenty of black marks. The IMF's suspension of the SAF was justified by the fact that the indicators, namely the currency, credit policy, budget equilibrium, and the balance of payments, were all in the red. Money management and credit expansion were based on a lax financial policy, in the eyes of the experts. In the area of monetary policy, the problem for the authorities was (and still is) to reduce the gap between the official market rate and the parallel market rate. Today, this gap is still around 30 percent. "We have made enormous efforts to curb inflation," Manuel dos Santos claims. "Last year, inflation was running at 70 percent, and it was 100 percent two years ago. If the Gulf crisis had not occurred, it would be at 25 percent and not 30 percent." But the IMF looks critically at the advances on domestic loans to the economy and cash flows to the government, that it would like to see limited. Its experts are also categorically opposed to an increase in wages, although salaries have been seriously affected by inflation. On this point, the words of the minister are more conciliatory than the speeches of other Guinean leaders. For him, an increase in the money supply must entail an increase in the issue of currency, in view of the low government revenues. "Not only would that create an imbalance between foreign means of payment and domestic demand, but, because of inflation, the value of our money would be cut in half. That is not a good solution. We need to look at in-depth solutions that start with economic reform."

Can They Resist the Frenzy of Opportunists?

This is hard language that will certainly please the IMF experts, but is far from making everyone happy here. However, the conditions for reinstituting the SAF are still far from being met. The only point on which the IMF is satisfied is the truly exceptional growth rate, estimated at 8 percent. Minister Dos Santos believes, however, that the SAP will be a "sure success." "We have experienced a relatively strong growth in the per capita gross domestic product, which means that the GDP has advanced more rapidly than the rate of growth in the population. To repeat, economic activity has developed. Exports have increased substantially. The market is better supplied, both in local and in imported products. And despite the constraints of the SAP, local consumption has grown."

Nevertheless, Guinea-Bissau has a real problem: human resources and what the World Bank and the IMF call the country's "institutional capacity." In other words, the shortage of cadres, and the weakness of management and decisionmaking structures, which makes any ambitious restructuring and reform policy inoperative. The low salaries go a long way towards explaining the deterioration currently seen in the civil service. Corruption, absenteeism, and irresponsibility are current realities that the prevalent opportunism seems to encourage. "We

cannot deny this situation," the country's treasurer says. "We are aware of it. And we have decided to begin an ambitious institutional reform, aside from the modification of the political scenario involved in instituting a multiparty system. We want to create a more efficient and effective administration. At the same time, we are going to proceed with tax reform and a restructuring of the tax administration." The program is ambitious, but will it be able to resist the frenzy of the opportunists? Will it manage to guarantee an equitable sharing of the wealth that is beginning to flow in? Ambitious projects like the new airport, the national assembly, a major highway, housing projects, etc., are going to absorb enormous amounts of foreign exchange in the country, a sign that growth reflected in figures is real. But will Guineans be able to avoid the pitfalls that the thrill of easy money has produced in other richer neighboring countries? That is another wager to be won.

IVORY COAST

* UGTCL Role Amidst Political Pluralism

91AF0653B Abidjan FRATERNITE MATIN in French
14 Jan 90 p 8

[Interview with Adiko Niamkey, secretary general of the UGTCL, by Eugenie Douayere and Diaby Salif, date and place not given; first paragraph is FRATERNITE MATIN introduction]

[Excerpt] The secretary general of the UGTCL (General Union of Ivory Coast Workers) has broken his silence to explain the position of the central trade union organization in the new context of political pluralism, which our country has been going through since 1990. According to the secretary general of the UGTCL, the organization will continue to cooperate with the government in power to obtain specific advantages for the workers. Adiko Niamkey considers that, although the UGTCL cannot be affiliated with a political party, it is nevertheless logical to let the workers make their choices freely in political and religious terms.

[FRATERNITE MATIN] The UGTCL has observed complete silence since the establishment of a multiparty system. Will that situation continue?

[Niamkey] That silence has nothing to do with the establishment of the multiparty system. Our organization is still as active as ever. In particular, meetings of our Executive Committee continue to be held. However, I admit that, due to the election campaign that we have just gone through, these meetings have not been as frequent as we would have wished.

Nevertheless, we are concerned about resuming our activities. That is why the Executive Committee will meet on 17 January. This session will decide on holding meetings of the Management Committee and the Trade Union Council.

Having said that, I would add that the UGTCL remains what it originally was. That is, an autonomous, independent central trade union organization that has freely decided to engage in responsible participation. That is, cooperating and working with the government in power to obtain specific advantages for the workers.

Therefore, the UGTCL works on behalf of the workers, whose interests are linked to the national interest. By acting in this way our organization is contributing to the maintenance of social peace.

[FRATERNITE MATIN] Do you think that the type of trade union participation once advocated in the context of a single political party is still appropriate now when we know that the consensus among the workers has been broken with the establishment of opposition political parties?

[Niamkey] Nothing has changed in this regard. We are still cooperating responsibly with the government in power, whatever it might be. It is in our interest to act in such a way that social peace is maintained and that the workers participate in the development of the country.

[FRATERNITE MATIN] Since the return to a multi-party system, there have been rumors of disaffiliation of trade unions from the UGTCL. Is there any substance to these rumors?

[Niamkey] Throughout this period of a return to a multiparty system the UGTCL remained what it had been. This is because from the very beginning it has not been affiliated either to any political party or to any international trade union organization, apart from the Organization of African Trade Union Unity. This means that the UGTCL has received no orders from outside the organization.

At present the World Federation of Trade Unions (WFTU) is falling apart. Therefore, in the trade union field there will remain only the International Confederation of Free Trade Unions (ICFTU). However, the ICFTU is a friend of the Ivory Coast. We cooperate with this organization, particularly in terms of holding seminars.

On the basis of all of the evidence the UGTCL continues to strengthen its position. In the Abidjan area we have 19 national trade unions in the civil service, 15 national trade unions in the private sector, and 31 trade unions in individual companies. Elsewhere in the country the UGTCL network covers 53 trade unions in various companies.

As a result there are 118 national trade unions and separate, company unions affiliated with the UGTCL. As far as we know, none of these trade unions has disaffiliated with the UGTCL. All of them have remained faithful to the orientation and doctrines of the UGTCL.

[FRATERNITE MATIN] The loss of a monopoly position by the UGTCL seems clear. Evidence of this circumstance is the establishment of a second, central trade

union organization called "Dignity." How have you reacted to this development?

[Niamkey] We were surprised to note that there is a second, central trade union organization. In our view you cannot establish a central organization without trade unions at the working level and without federations of trade unions. We were surprised because you cannot establish a central organization simply with individual members. A central trade union organization is a group of trade unions at the working level.

And when I saw the text of their statement, I thought that I read that those trade unions involved in it are not affiliated with the UGTCL. Now we know the trade unions that are not affiliated with the UGTCL. These include the trade unions of teachers in secondary schools and in universities and research institutions. Is the second central trade union organization made up of these two trade unions? [passage omitted]

* Visit Inside Yopougon Prison

91AF0563A Abidjan FRATERNITE MATIN in French
13 Jan 91 p 2

[Article by Jean-Baptiste Akrou: "Difficulties in Prison"; first paragraph is FRATERNITE MATIN introduction]

[Text] Since 1987 many prisoners have died at the Abidjan prison and house of correction, usually called "Yopougon Senior High," due to difficulties in living conditions, food, and medical care. Jacqueline Lohoues-Oble, the new minister of justice and keeper of the seals, visited the prison on 12 January.

Yopougon prison has been given the popular name of "Yopougon Senior High." Like all educational institutions it has gone through a rapid expansion in the number of its inmates. This situation has harmed the quality of the service provided. The Abidjan prison and house of correction was built to accommodate 1,500 persons. Now it has more than that.

In the course of the visit and particularly during the working meeting she held on 12 January Minister of Justice and Keeper of the Seals Jacqueline Lohoues-Oble heard prison director Cisse and his associates list the difficulties facing them. At present the 34 dormitories used for the prisoners are not enough. Every Tuesday (for the accused prisoners facing trial) and every Thursday (for those already sentenced) you might feel as if you were at a market.

Sad Picture

In the clinic the prison doctor, his nurses, and two midwives were bitter. The shortage of basically needed medicines is quite simply dramatic. As alcohol is not available, substitutes are used when patients are given injections. When a prisoner is sick, no relative turns up to buy medicine for him or her. Until 1983 there was a ward for prisoners at Treichville Central Hospital. In

view of the strong demand for space, this arrangement has been cancelled. Since then medical treatment for the prisoners has been a real headache.

The "food allowance" for each prisoner is 230 CFA [African Financial Community] francs per day. In view of the high cost of food and the continuously growing number of prisoners the allowance provided is less and less adequate. The combination of poor nutrition and the uncertain state of medical care is raising many health problems. On 12 January during our visit the prison clinic had 127 detainees in it. To this number should be added 150 prisoners who are mentally ill.

Yopougon Prison also has clothing and carpentry shops to teach a trade to detainees to help them return to society after completing their sentences. In addition there are buildings for criminals containing 832 detainees, including the murderers of the Italian ambassador. There are also 209 minors who are being kept there. The young people moved everyone by singing a song of repentance. Finally, there are 185 women in the prison, including 31 awaiting trial and 146 under sentence, some of whom live in their cells with very young children. About 90 percent of these detainees are involved in drug trafficking. After spending four hours with them (from 0900 to 1300), catching their fleeting glances, and in the midst of these strong odors, we felt overwhelmed. Our mouths were dry, and we were sick to our stomachs. We prayed to God that we would never have to spend any time in a prison.

NIGERIA

* Parties Dispute Election System, Results

91AF0656A Lagos THE GUARDIAN in English
22 Dec 90 pp 1, 2

[Article by Akpo Esajere, Deputy Political Editor; quotation marks as published.]

[Text] Open ballot system—the National Electoral Commission's (NEC) experiment to tackle electoral fraud—emerged yesterday as the latest source of dispute between the two political parties.

Their chairmen addressed the press separately in Lagos and gave discordant opinions on the voting method which was used in the 8 December council election.

Ambassador Baba Gana Kingibe, chairman of the Social Democratic Party (SDP), said open ballot system having emerged as "the best" electoral system from its "widely acclaimed success" during the council election should be used in subsequent elections.

"It will be inexplicable," he said, if the government fails to adopt it for other elections.

But Chief Tom Ikimi, chairman of the National Republican Convention (NRC), said his party is opposed to the

system because of some "basic inadequacies and encumbrances." His chief objection is that it disenfranchised many important voters who, in his opinion, would have voted for the NRC.

Mr Kingibe, on the other hand, said that, from the reaction of Nigerians to the success have seen that it is cost effective and time saving [as published]. We have seen that it is the best system. It worries me that somebody is saying that the system will not be used for governorship election."

For Chief Ikimi, reading from a prepared text, although the NRC commends the Federal Government for "introducing the experiment of the open ballot, the party finds as objectionable some of the system's "basic inadequacies and encumbrances."

He said: "In an increasingly sophisticated society like Nigeria, the open ballot system disenfranchises a very substantial proportion of eligible voters who normally constitute the natural constituency of the NRC."

Ikimi described as "unprecedented" the disenfranchisement which the system brought about in the council election, adding that it was behind the party and low-voter turn-out.

Expectedly, the issue of electoral malpractices and accusation and counter-accusation about rigging was featured at the speeches of the chairmen.

Ambassador Kingibe said the SDP was "worried at the piece-meal manner" the NEC is releasing withheld elections. Citing the case of Borno, Imo and Bendel states, Mr Kingibe said the lead which his party had earlier recorded in the chairmanship results have been cancelled by the "new results being released shortly and systematically to keep protests in check while balancing up or closing up the margin of victory." [as published]

"It is a bunching up of the two parties" said Mr Kingibe who added: "It all makes me have some foreboding but I can assure our teeming supporters that are compiling a detailed account of the malpractices during the council election and we will publish them."

Chief Ikimi on the other hand stressed the now familiar position of two parties that his party is "more popular and acceptable nation-wide," although the NEC has not released the number of actual voters at the council election.

Said Ikimi: "We scored not less than 30 percent in each and every state of the federation. Furthermore, we have succeeded in breaking down the barriers of yesterday's politics by penetrating all known tribal and sectional enclaves. If it were a national election where total voters will be the deciding factor we would have won the presidency." He did not give the statistics on which he based his assertion.

Meanwhile, the NRC has established six directorates—of audit, administration, organisation, finance, publicity

and research and planning. It has also set up nine special committees—of finance, campaign, planning and research, publicity, economic commission, council monitoring, war against poverty implementation and budget.

According to Ikimi, these bodies are designed to increase the efficiency and functionality of the party secretariat.

* CLO Cites Lack of Electoral Choice

91AF0656B Lagos *THE GUARDIAN* in English
30 Dec 90 p A5

[Text] Civil Liberties Organisation (CLO), took another look last week at the last local council election and concluded that identified handmaids of democracy as unfettered choice, and freedom to exercise the choice, have been absent from the transition programme.

But it gave kudos to the "high sense of purpose" on the part of the electoral officers coupled with the peaceful and orderly manner the election was conducted.

Not only that, it expressed surprise that the actual performance of the security forces on 8 December was unusually civil, although their preparations were "intimidating."

In its comments on the election, viewed from its human rights angle, the CLO explained that past occurrences in elections where security agents mowed down citizens as they perform their civil rights have to a large extent informed the very low turn-out nationwide.

According to the body, an estimated 10.57 percent of the registered voters actually participated in the election—a situation which it claims must have left about 89.43 percent of the eligible voters or over 53 million Nigerians out of the exercise.

The CLO claims its estimates are the results of a "very expansive monitoring dragnet" set up by the human rights body before, during and after the election nationwide for a thorough assessment.

What the CLO dubbed lack of electoral choice in the voting process came a close second to voters apathy.

This was said to have influenced people's psyche which may have given them the freewill to stay away from the poll.

The CLO hinted that the shallow and hardly unidentifiable difference in the manifestoes of the two political parties may not have accorded the eager electorate the commitments to be involved.

This, the organisation claimed stemmed from the mere fact that "the parties are seen as extensions of the programmes and policies of the present regime."

The 44-page report cited manifestoes of the Social Democratic Party (SDP) which read: "We of the SDP will

take off from the ongoing reforms of the present administration which are progressive in content and operation..." and that of the National Republican Convention (NRC): "We of the NRC believe that there is the need to commune with and strengthen the present reforms that have been put in place..."

These preambles the CLO believes is an imposition of the foregoing policies and expectations of the government as against the collective will of the people.

The CLO claims that the election could not be said to be widely accepted considering the following:

- That over 300,000 indigenes of the displaced Maroko people in Lagos State were not given any provision for voting.
- About 7,000 voters in Ohaji/Oguta local government area in Imo State were omitted in the delineation of electoral wards and constituencies.
- Several names were discovered missing from the official voters lists.
- There was excessive regimentation and undue militarisation of the exercise.
- There was a general apprehension of people being manhandled.
- Electors did not feel free with the open ballot.

The CLO report further said there were several cases of the after-effect of the open ballot method as undue victimization by politicians are allegedly metted to the less privileged members of the society who queued behind candidates against their interest [as published].

It however explained that "the transition programme does not seem capable of bringing about a democratic society" but feels that the answer to a democratic process should come when there is the disengagement of the military from politics.

It therefore advocates:

- a complete unfettering of fundamental human rights and basic freedoms of association, expression and choice;
- a repeal of undemocratic transition decrees to allow the judiciary play an active role;
- a review of voters' register to eliminate the shoddy mix-up; and
- removal of "harsh electoral regulations" and over militarisation.

SENEGAL

* Conacpo Plans Democratic Transition Conference

91AF0586B Dakar *LE TEMOIN* in French
27 Dec 90 p 3

[Article by Mamadou Oumar Ndiaye: "The Opposition: CONACPO To Convene a National Conference"]

[Text] At their day-long meeting last Sunday, the heads of the opposition political parties within the National Conference of the Heads of Opposition Parties [Conacpo] decided to convene "as soon as possible" a national conference to plan for the establishment of a democratic management structure for a transition. To this end, a mission will be sent to Gabon and Benin "to gather information on these two countries' experience of a democratic transition."

In reporting the points incorporated into its platform, the coordinating committee expressed its belief that this platform was "on the whole positive" and that "the results that have been achieved have made it possible to put a new stamp on the political course of our country." The leaders of the Senegalese Democratic Party [PDS], the AND-JEF/Revolutionary Movement for the New Democracy [AJ/MRDN], the Democratic League—Movement for the Labor Party [LD/MPT], the Workers Socialist Organization [OST], the Union for a People's Democracy [UDP], the African Independence Party [PAI], the People's Liberation Party [PLP], the Senegalese People's Party [PPS], and the MSD [expansion not given] did not attempt to hide their satisfaction at the massive abstention rate of the Senegalese people noted in the 25 November "elections-referendum." According to them, the low voter turnout, which was observed, constituted "a decisive turning point" in the development of the power relationship between Abdou Diouf's "minority power" on the one hand and working people on the other. For the heads of the opposition, there is scarcely any doubt that "the people's observance of this active boycott order is irrefutable proof of their defiance" of the current government.

The day-long meeting provided the opportunity to adopt a new action program, which will climax in a march against the high cost of living, against unemployment, and for the preservation of the school system.

There was also an opportunity to review recent developments in the national situation. Conacpo was delighted in particular at the struggles unleashed "by many sectors of the people," among them autonomous trade unions and secondary and university students. In this regard, Conacpo supports the "just struggle" of the United Democratic Trade Union Federation of Senegalese Teachers [SUDES] as well as its platform of grievances, the struggle of the trade unions within the UNSAS [Senegal National Union of Autonomous Trade Unions] as well as the struggle of the student movement.

Furthermore, the "nine" demanded the "immediate lifting of the repressive measures" affecting militant trade unionists, especially Issa Ndiaye and Paul Bassene of the SUTELEC [United Electrical Workers Trade Union] as well as the students who have been brought in for questioning. Last, the National Conference of the Heads of Opposition Parties stated that arrangements pertaining to access by political parties to the state-run media were "antidemocratic and unconstitutional" and

can only lead to discrimination against political parties in favor of the Socialist Party [PS].

For this reason the conference intends to "continue the campaign, begun 14 March 1990, in the struggle for access to the state-run media by the political parties."

* Mauritanian Peace Sought To Defuse Casamance

* Rapprochement to North Seen

91AF0598A Dakar XAREBI-LA LUTTE in French
Dec 90 p 3

[Commentary by Landing Savane: "Senegal/Mauritania: What Are Diouf and Taya Cooking Up?"]

[Text] In recent weeks there have been signs that things have been calming down between the Senegalese and Mauritanian Governments (reestablishment of telephone links, more secret meetings, etc.).

That is why the permanent headquarters of the AND-JEF Revolutionary Movement for a New Democracy [AND-JEF MRDN] become worried over Dakar's refusal to allow any new Mauritanian refugees to enter our country.

Now, on 4 December 1990, the Mauritanian minister of information confirmed a Radio-France Internationale [RFI] report according to which numerous arrests had been made in the Mauritanian army, in Nouakchott and Nouadibou, to be precise. Said to be involved were about 50 officers, most Hal-Pulaaren, who were arrested between 15 and 30 November 1990 for attempting to overthrow the government, inspired, according to the Mauritanian authorities, by Senegal, and relying mainly on the navy.

The government overthrow would take advantage of the Mauritanian campaign for municipal elections and take place on 27 November. Mr. Ka, one of Mr. Diouf's ministers, protested the Senegalese Government's innocence.

Statements by the authorities in the two countries must of course be read with much caution.

What is certain is that they are in the process of cooking up operations of a dubious nature whose major victims could be black African Mauritanians, inhabitants of the river valley, and refugees.

It is clear that Diouf, caught between the two fires from the north and south, has as his objective doing everything possible to reduce the Mauritanian conflict and thus have a better opportunity to cope with the separatist movement in Casamance. All the more so since Mauritania is accused of arming the rebels in Casamance.

But he ought to know that the best solutions to grave problems are not devised in haste and because there are emergencies.

*** Silence on Concessions**

91AF0598B Dakar SUD HEBDO in French
3 Jan 91 p 8

[Commentary signed A.D.: "Mauritania: The Thaw and the Cruelty"]

[Text] One fact did not go unnoticed Monday evening in President Abdou Diouf's new year's message. Unlike the previous year, this time he did not speak of the dispute between Senegal and Mauritania. The reason: Senegal is supposed to have decided to get along with Mauritania, which is supposed to be entertaining warmer sentiments again in the wake of the recent meeting in Bamako of the foreign ministers of the two countries. Nouakchott is prepared to make concessions in order to normalize its relations with Dakar except on one point. In effect it is refusing to readmit its deportees, claiming they are Senegalese.

This is a point of view Dakar does not accept, as Dakar believes above all that the refugees are Mauritania. But if at the bilateral level between Senegal and Mauritania a change in Nouakchott's tone was detected in Bamako, in their country the Mauritanian authorities have continued committing their heinous crimes against certain elements of the population. Thus several noncommissioned officers of Soninke ethnic background have just been placed under arrest. Among these are Diegui Bathily, Diagana Abdoulaye Youssouf, and Tanding Cheikhna, all of whom are natives of Kaedi, and Traore Adama, from Selibaly. Among those arrested about one month ago and who were accused of plotting a conspiracy, some cases of death by torture have been reported. In particular, persistent rumors tell of the death of Captain Kane Hamidine, a doctor.

*** Bandits Profiting in South**

91AF0598C Dakar SUD HEBDO in French
27 Dec 90 p 3

[Article from Agence France-Presse: "Casamance: Another Attack: One Dead and Two Wounded"]

[Text] An attack conducted on the night of 21 December on the Senegalese Agronomy Research Institute (ISRA) and then against a shopkeeper several kilometers from Ziguinchor resulted in one death and two people wounded, it was learned on 26 December from an official source in this town in southern Senegal.

The attack on ISRA was aimed primarily at this institute's accounting department, it was learned from the same source. As they fled, the attackers wounded a woman and her daughter; both are hospitalized in Dakar, it was learned from the same source.

The assailants next attacked a shop, whose owner, Mr. Amadou Sow, they killed, it was learned from the same source.

According to the military authorities in the Casamance region, these attacks are supposed to be the work of Casamance separatists whose ambushes and other attacks have brought about the deaths of more than 100 people.

The still "active" "rebels" have major money and resupply problems, which explains why they regularly attack businessmen in order to steal food primarily, the authorities believe.

However certain observers do not rule out the possibility that large-scale banditry, coming primarily from Guinea Bissau and the Gambia, which border on Casamance, could have "grafted" itself onto the Casamance separatist movement.

According to reliable sources contacted in Ziguinchor, witnesses heard numerous gun shots during the incidents late Thursday night and early Friday and these shots, according to the observers, could have been the work of military patrols combing the area in search of the attackers.

A "reconnaissance and support" unit of the Senegalese army is based at Nyassia, several kilometers from the ISRA, it was stated.

*** Tax Changes Said To Bring Increases, Confusion**

91AF0586C Dakar LE TEMOIN in French
3 Jan 91 p 5

[Article by Ibou Fall: "Taxes: The Rates Waltz"]

[Text] The first tax reform legislation of the year 1990, law number 90-01, went into effect on 2 January 1990, introducing the new tax rates. The IGR [General Income Tax] added to the ITS [expansion not given] was out of fashion. According to recent statements to the press and trade unions by the minister, the personal income tax [IRPP] does not aim at bringing in more money to the treasury. At the very most, it is a simplification of the old formula, a simplification onto which a supplementary 5-percent tax was slyly added in the process. It would be tempting to say it was an artistic performance...

And then there was this: all of a sudden, specialists discover that this rate—which was a point of pride on the part of our experts—is in error. And that is a euphemism. There are mistakes in the pay grades. Here is an example: a salaried worker with five dependents with an annual income of 2,270,000 [CFA-African Financial Community] francs pays 256,640 [CFA] francs in IRPP, whereas with an income of 5,000 francs more, i.e., a gross annual income of 2,275,000 [CFA] francs, this same salaried worker will see his taxes drop to 189,120 [CFA] francs. This is a decrease of 67,520—or 35.7 percent in relative value. Here are other examples: with annual incomes of 2,270,000 and 2,555,000 [CFA] francs, or a difference of 285,000 francs, a salaried

worker pays about the same tax, or 256,640 and 256,320 francs, respectively. A difference, if we may say so, of 320 francs!

For married or single salaried women with annual incomes between 7,500,000 and 7,995,000 francs, this danger-fraught rate contains some mistakes: according to the estimates of some specialists, a married woman with an annual income of 7,500,000 [CFA francs] will pay 2,002,940 [CFA] francs in IRPP, whereas an official reading of the rates would put her IRPP at 1,974,800 [CFA] francs. And for this same single woman earning 7,995,000 [CFA francs] per annum, the same specialists and their learned calculations find that she owes 2,169,000 [CFA] francs in IRPP, whereas the official rate would have her pay 2,139,440 [CFA] francs in IRPP. In a nutshell, it is sort of like doing a bit of anything whatever. As fortune may dictate, you could be lucky. If various sources are to be believed, there were not even any extended tests or detailed simulations of any sort, these being the meticulous touches which impart an air of seriousness to matters as delicate as tax payers' money.

So the money people were sleeping the sleep of the just when the bizarre nature of their labors was pointed out to them. So they had to start all over again... And in September a government decree popped up: a new rate was born, number 90-33 from January. And, what an abominable crime, it made the mistake of taking away much more money from the state than its predecessor. It will be enforced for the months of October and November of the year 1990. And during this lapse of time the state has lost hundreds of millions in two months. Government decree 90-40 will reinstate the first rate, with the same mistakes. Too bad for tax payers. They must only bear their pain patiently. A new rate was anticipated for January 1991. According to the latest reports, experts have put this off until much later. A lot later. At the moment, at the ministry of finance, the minister is working on proposals for overall receipts. His small geniuses have sent him four proposals, each rejected one after the other. The fourth postulated approximately 750 million [CFA francs] of IRPP revenue to the state. This is too much. Moussa Toure said. He wants these figures to be in the 500 million range. The fifth proposal will be the right one. Some people have ended up wondering if they have gone into effect this month. It is a gruesome end of the year present. The equalizations that were anticipated based on the January rate, correcting the oddities caused by the still-born October-November rate, were really going to be something else. And ran the risk of causing even more waves of protest...

As a "simplification," all of this has gotten extraordinarily complicated. In terms of taxes, this has become the great adventure at the end of which the state does not know what is really in store for it.

* State Antagonism to Opposition, Labor Deplored

91AF0586D Dakar LE TEMOIN in French
11 Dec 90 p 1

[Editorial by Mohamed Bachir Diop: "The State or the People"]

[Text] It is better this way, but the state appears not to be cognizant of the antagonism between it and a large part of the population, which has existed for at least two years.

The history of the electoral dispute, which had cast a Siberian chill on relations between the state and the opposition parties, resurfaced on the occasion of Mr. Wade's return to Dakar several weeks ago. And the opposition's boycott order followed the same course because, in addition, it demanded (and only after Wade's arrival) "the organization of new free and democratic elections." This was something that immediately reinforced the opposition's option in favor of confrontation.

As for workers, who have felt they were sucked dry by the tax system and been frightened by changes in the laws affecting their working conditions, through their trade union headquarters (with the exception of the National Confederation of Senegalese Workers [CNTS]), they have brandished the threat of a general strike. And at the same time students, who have exhibited a suspicious calm since the reopening of schools, seem to want to go faster with the partial strikes, which have broken out here and there. This is an explosive situation, one aggravated by the state's inward-looking attitude and its internal divisions that give evidence of a susceptibility to chills, of which the most visible consequence is the quickness with which the court system (an institution!) reacts to any type of criticism directed at it. The example of SOPI [the newspaper], which frequently gets dragged into court accused of attempting to bring the [country's] institutions into disrepute, and, more recently, the case of SUD HEBDO that was called in for questioning because it spoke of the court system in a way that the courts did not like, are quite sufficient to edify observers as to the marginal character of the "institutions."

Seen this way, prosecutor Ndir's tactless attack on the press, which reduced the journalism profession to the penal code when the courts and tribunals open, now seems like an "official" warning to the press. In sum, the state no longer inspires confidence in many citizens, and this means the state is constantly disapproved of by segments of the population which do not see anything in its decisions which reflects them.

Given where we stand in our country's rapid evolution, it is urgent that we stop. That we stop to redefine the relations between the "state" and the people.

Who, the state or the people, should adapt and conform to the aspirations of the other? This is the main question, which leaders should be asking themselves today, these

leaders who seem not to realize that a modern state should not create an atmosphere of continual conflict with the people. And this for the simple and logical reason that the state is but the people's representative, its guarantor with respect to its aspirations for growth. How is a state to govern without snags if it disdains such simple assumptions?

* Reaction to Diouf Proposals on Media, Voting

* Termed 'Limited,' Needed

91AF0587A Dakar LE TEMOIN in French
4-10 Jan 91 pp 1, 3

[Editorial by Tidiane Kasse]

[Text] It is difficult to reconcile Abdou Diouf's reversals. Iron glove one day, velvet touch the next, in the end he is not so much playing a game of hot and cold or carrot and stick as winding through the tortuous labyrinths of a political structure under changing conditions. With the reorganizations within the Ministry of Finance some months after the ministerial reshuffling of 27 March, a fiscal policy that is imposed and then disappears as if by magic, even his "who cares" attitude toward the Gulf war crisis that finally dissolved in his hopes of becoming a mediator, one cannot no longer follow Diouf's small steps forward and big steps back. It is as if the man, every time he dons his iron gloves, attends to his fingers but not his head, or the spirits of others. Is it not therefore bizarre, in that same logic, that after emerging to chastise the opposition for its childishness after the opposition leaders' savagely repressed demonstration last 14 November, which is still fresh in their memories, he calls upon that same opposition for a general consideration of democracy?

The chief of state's address to the nation on 31 December is certainly an indication of the urgent issues facing the country. But what of the evidence that has been, until now, hidden or deferred? This electoral code, although "one of the best in the world," is now put forward for the approval of the political parties, researchers and law practitioners on its controversial aspects. With its nonobligatory vote, imperfect voter identification, the absence of opposition observers to witness the actions to spoil the distribution of election ballots, the opposition has not ceased to loudly decry the code's imperfections. In fact, this code was the best in the world only long enough for Abdou Diouf to win his second presidential mandate in 1988, and in 1990 to win a tidal wave of 73 percent of the municipal and rural vote for the PS [Socialist Party] as the only participating party after the opposition boycott.

His blindness appeared to be willful and the authorities had already toyed with the immediate odds to ensure essential agreement with his interests. Today, halfway to the 1993 elections, he can take the time to adapt and see what happens.

With the decision made to revise the electoral code, the instructions have been immediately followed. During the course of the 2 January meeting of the Council of Ministers, Abdou Diouf made Interior Minister Famara Ibrahima Sagna responsible for making preliminary contacts with all political party officials to rapidly identify the mechanism for coming to the anticipated agreement. Promises of verifiability have even been given with the assurance that the commission to be formed as a result of these contacts will be presided over by an independent expert, chosen from among the researchers and practitioners of law.

The opposition cannot have expected the requirements following upon the 31 December speech. The rejection on the part of the National Conference of Opposition Party Leaders [Conacpo] came out on 1 January in a statement emphasizing that Diouf "has covered up some issues of capital importance and has not responded to those that concern all Senegalese, to wit, how to overcome our country's catastrophic situation." Later noting "the vague terms of a meeting between the political parties and the experts," Conacpo asks, "A new electoral code for which elections? Mr. Diouf should stick with the logic that forms the basis of his own acknowledgment, and admit that the elections of February 1988, like those of 25 November 1990, were spoiled at the root by an antidemocratic electoral code."

Its conclusion rests at the mercy of political interests and party logic. For example, Conacpo's statement of 1 January later gave way to a more detailed lecture on Diouf's proposals in light of the Council of Ministers' complementary communique. There were no concessions, but the conditions were already there to present the bare outlines of a dialog. Having learned from the past, the opposition has every reason to be defiant. In fact, they are moving toward a second National Round Table. If the 1988 Round Table was justified at the time by the need to overcome a crisis, this time they find themselves confronting structural impediments that go beyond the simple political framework. The split that has occurred within Senegal goes beyond the political framework, and its solution will not emerge from the alchemy of a new electoral code, or from more democratic access to the State media. Let us also remember that recourse to an independent expert in the person of Cheikh Anta Diop University law professor Ibou Diaite was not a catalytic force during the 1988 Round Table debates.

There is a great risk of becoming trapped in false solutions. Abdou Diouf has curiously left the true questions of the hour out of his dialogue. The autonomous unions have ended one strike and are preparing to begin another one of unlimited duration, the students are frozen in a perpetual crisis that has led to them empty the classrooms and lecture halls, and there is no end in sight to the social chaos. The national pact that could lead us out of the impasse is not solely political. At a time when national conferences are paving the way for agreement throughout Africa, we are still at the partial solutions and outmoded style of the 1988 Round Table.

This opening thus has its limits. Nevertheless, it constitutes a step toward meeting the opposition. It is imperative to seize it all, to maneuver in the light of past experience. One cannot imagine seeing the opposition turn its back completely on the proposals that have been made here. It will undoubtedly raise the stakes because in no battle does one leave the monopoly of initiative to the enemy, and current conditions are like promises that nobody believes.

* Opposition Hits Initiatives

91AF0587B Dakar LE TEMOINE in French
3 Jan 91 p 3

[Text] During his traditional end-of-year message to the Senegalese people on the evening of 31 December, the president of the Republic announced three important measures: "The creation of a High Commission for Radio and Television to promote the free access of political parties to the state media; agreements between the political parties to be extended to independent researchers and law practitioners to discuss certain controversial aspects of our electoral code with a view to finding the maximum number of points of convergence among the players in the Senegalese political game;" and finally, "a definitive effort to draw up voter lists where the municipal and rural elections have shown certain deficiencies, particularly in the outlying areas."

Meeting on the following day, 1 January, to discuss these initiatives, the members of Conacpo (National Conference of Opposition Party Leaders) rejected the head of state's proposals, calling them "sleight of hand and designed to appease foreigners," and reiterated their decision to take "all necessary measures to convoke a national conference before committing to the implementation of a democratic structure for managing the transition."

The Independence and Labor Party finds, on its part, that the presidential speech "skirted the concerns of the Senegalese people." While recognizing that "a step has been taken," Mr. Amath Dansokho's group would love to be informed as to the schedule of the proposed tasks, as well as the means of obtaining an agreement between the parties to revise the electoral code. Above all, says Semou Pathe Gueye in the name of his party, in the end it is necessary for the president of the republic to have the courage to confront his own party, which has a maddening "propensity to sabotage any initiatives that go against its own limited interests."

* Opposition Response 'Merited'

91AF0587C Dakar LE TEMOINE in French
3 Jan 91 p 1

[Editorial by Mamadou Oumar Ndiaye]

[Text] The measures announced by the head of state after his traditional message to the nation last 31 December definitely merit a different fate than the one

the opposition has by and large reserved for it. That was a rejection, pure and simple. In our view, the measures deserved a more attentive and less passionate examination. They would have profited by being studied under a magnifying glass and not through the distorting prism of political politics. They represent advances—insignificant though they may appear—along the difficult road to the construction of a democratic Senegal.

The opposition's access to the State media represents an old and always current demand on the part of the opposition. As late as last 14 December, its leaders had been beaten for demonstrating in favor of a full and effective recognition of this right, or rather its translation into actual fact. The same with the electoral code, which has caused as much ink to be wasted as saliva, and has raised so many passions, aroused so much anger and so effectively divided the Senegalese people.

Is it no wonder, then, that just when the head of state has decided to give in on these two major issues, the opposition slams the door so brutally in his face, and to use an appropriate local expression, slapped the shepherd in the face without knowing the tune he was trying to whistle?

Properly speaking, these measures do not constitute surprises, but they are nevertheless an excellent New Year's gift, for Senegalese tired of the multiple rifts and fishwife quarrels of the politicians, suffocating under the smell of the teargas grenades, and ardently hoping for civil peace. It was after the visit to our country of an NDI (National Democratic Institute for International Affairs) delegation that President Abdou Diouf had intended to announce a modification in the famous electoral code. Things were then spoiled during the audience he granted the delegation. This delegation, which had promised to make public the conclusions of its report on Senegal in November, did nothing. The Socialist Party also took on the airs of a violated virgin to rail against foreigners who have the pretentiousness to come and give us lessons in democracy. In short, it was necessary for the initiative to modify the code to appear to come from the Head of State himself. Likewise for access to the media, an issue on which the "President of all Senegal" did not want to give the impression of having given in to pressure from the street.

It remains to be hoped that this hand held out in compromise be taken up by the other side, in order for us to emerge from this dangerous immobility, this trench warfare. "And yet they are positive," Galilee would have said about these measures.

Happy and prosperous New Year in any case to our readers.

* Timing of Reform Scored

91AF0587D Dakar SUD HEBDO in French
3 Jan 91 p 3

[Article by Ibrahima Fall; first paragraph is SUD HEBDO introduction]

[Text] President Abdou Diouf took advantage of his traditional Saint Sylvester's Day message to announce the opening of discussions on the electoral code's controversial aspects, the creation of a High Commission for Radio and Television, the nation's magnanimity toward its misguided "brothers" in the Casamance, etc. A handful of measures rejected by the opposition.

On the evening of 29 July 1990, after the conclusion of the PS [Socialist Party] Congress, the secretary general of the party in power, as if extremely annoyed, responded to a question on the possibility of reforming the electoral code "judged" to be antidemocratic by stating: to speak of the antidemocratic electoral code is to mock the world. I have the best electoral code in the world."

That categorical statement, which leaves no room for appeal, leaves one thinking that in President Diouf's view the electoral code should be left as is, regardless of the circumstances. Then there is the fact that in his Saint Sylvester's day message, Mr. Diouf announced "a series of agreements between the political parties, extended to independent researchers and law practitioners, on certain controversial aspects of our electoral code with a view to finding the maximum number of points of convergence among the players in the Senegalese political game." If he was not already, he must now be convinced that the code, at least in certain aspects, poses problems and that it is thus not the best in the world.

Just as the professors of morals teach that it is better to recognize one's fault than to persevere in error, can one help reflecting upon the president's motives? Can his initiative be explained solely on the desire to loosen his grip on the political climate? It is not so sure when one considers that the National Round Table of July 1988, which focused precisely on the electoral code, took place in a more restricted and perilous political environment for the government. Nevertheless, the PS made no significant proposal for an imperious reform of the electoral law, which was called for not only by the opposition but also by nonpartisan elements, aware of the prevalence in our democratic plans of the need for fairness, justice and the ability to verify results. Since that time Mr. Diouf has lost no opportunity to remind us that the code was fine, even if some time earlier he had somewhat imprudently told the National Assembly that "the code needed some cleaning up." We will not argue with his reversal on the situation, because it is well known that politicians, whether out of duty or because they are playing games, have no memory, and better late than never. It is fortunate that President Diouf has returned to the path of dialog, if only to preserve our system of irreversible institutional bottlenecks.

But the opposition asks, what is the point of the electoral code discussions if the next constitutional election is not until 1993? That question deserves a response, at least if Mr Diouf does not plan on prior consultations, as

demanding by the opposition. Even if it serves no purpose until 1993, the new code will also spare us an interminable bone of contention, in clearing the way for a new political dialogue.

It is clear that it would have been better politics to revise the code before the municipal elections so as, on the one hand, to permit the opposition to participate in the election, and on the other to demonstrate the importance of democratic dialog. The plan, whose conclusion is desired by all patriots, has unfortunately not been accomplished, and the maintenance of the electoral code's status quo has crystallized passions to such an extent and even resulted in the sending of an observer mission from the National Democratic Institute (NDI from the United States), that the necessary reform should occur soon. Because it involves building for the future, why not try President Diouf's good dispositions once again, in practice, which is the only criteria for the truth?

In politics, more than ever, a sense of opportunity is a trump card that those who propose a grand vision for their people masterfully take advantage of.

* Media Changes 'Cosmetic'

91AF0587E Dakar SUD HEBDO in French
3 Jan 91 p 3-4

[Article by Babacar Toure]

[Text] In both its presentation and its objective, the planned law creating the High Commission for Radio and Television suffers from the miasma of the double political and professional plan. In limiting this statute's attributions "pending review of the legislative dispositions and applicable regulations...with respect to pluralism and balance in programming, human beings and dignity, equality between men and women, and the protection of children and adolescents in the programming" (article 2 of the planned law), the planned law makes the High Commission a cosmetic gesture with no substance.

The fundamental idea that the National Union of Senegalese Information and Communications Professionals (Synpics) had advanced since 1987 in their discussions with the authorities, and which we repeat in the course of recent conversations on the topic of the political parties' access to the public service media of radio and television, consisted in formulating a law for audiovisual communication. Such a law should, in its general principles, call for freedom of audiovisual communication and organize the means and methods of its utilization in the public service on the basis of the right of citizens to "free and pluralistic" communication. The Senegalese Government's current proposed law is restrictive in character. The field of intervention applies only to radio and television, although in principle and in its application, audiovisual communication involves "putting at the public's disposal, either through the Hertz airwaves

or through cables to transmit sound, images or documents, facts or messages of any nature." It must be in the public service, as it must organize the intervention of private parties and relations with the different sectors of society.

This exercise follows from the citizen's right to free and pluralistic communications, specifically guaranteed by the operating conditions of the public service of radio sound broadcasting and television, the conditions organizing access on the part of people offering communications services to diffusion over the airwaves, or the installations and infrastructure of audiovisual communication located in the public domain or situated on private property with the possibility of technical control on the part of the State or at the latter's control.

From a political point of view, the missions of the national public radio broadcasting and television services and their regional affiliations should go beyond the objective pronounced by the High Commission's planned law, to serve the general interest. In France, the law offers quite a vast perspective for evaluating the different resources of contemporary society. That is the reason the law of audiovisual communication has as its objectives:

- to ensure the honesty, independence and pluralism of information;
- to respond to the contemporary needs of the different segments of the population in terms of education, recreation and culture, with a view to increasing the knowledge and developing the initiative and responsibility of the citizens;
- to contribute to the production and diffusion of works of the spirit, without exception;
- to facilitate social communication, and in particular the expression, training and information of the cultural, social and professional communities and the spiritual and philosophical schools;
- to participate, through research and creative activities, in the development of audiovisual communication, taking into consideration technological change and user needs;
- to respond to the needs of citizens overseas with respect to information, recreation, and culture.

The binding agent of these different missions lies in the principles of pluralism and equality among the cultures, beliefs, currents of thought and opinion. It can well be seen, in limiting its objectives solely to pluralism, balanced programming, human dignity and protection of infants and adolescents, and equality between women and men, the high commission as it is formulated does not in the least respond to current needs. Furthermore, what it does have as a mission resembles more a preamble to a charity statement by a goodwill organization. More disconcerting, the reference in the planned law to legislative dispositions and regulations relating to access

of the political parties to public service radio and television, the formulation of which is derived from the expertise of the high commission, presents a problem with respect to the reality of an institution that is so disembodied.

The establishment of the High Commission's local affiliations outside the general framework of a law organizing audiovisual communication abides by the principle of putting the cart before the horse. In fact, it is fine that there should be established, within the framework of such a law, audiovisual communications institutions such as a parliamentary delegation for audiovisual communications, a High Commission, a National Committee and its regional affiliations (regional audiovisual communications committees), state public service activities, the organization of companies, the commercialization of audiovisual products and documents, etc. This framework also involves identifying the conditions for rights of response and sanctions in case of refusal to broadcast, the use of radio-electronic frequencies on national territory, governmental communications and the right of reply to government communications, production, programming and broadcasting conditions for emissions involving election campaigns, production, programming and broadcasting conditions for emissions dedicated to the direct expression of various schools of belief and thought, as well as broadcasts of parliamentary assemblies, political parties and parliamentary groups.

Looking at the evidence, we are far from the goal and there is a great risk of seeing an institution derailed that, elsewhere, has no difficulties in overcoming change under the pressure of public opinion and the appearance of new needs and advanced technologies. Although comparison is not justification, the values that drive a well-conceived audiovisual communications system at the service of the general interest are, like those of the democracy that they sustain and deepen, universal. We wager that the blueprint for the planned High Commission will be the focus of a wide-scale attempt for Senegalese to become a greater people, finally able to clear the road for electronic media and thus appropriate its advantages while eliminating its negative aspects.

* Opposition Reaction to Presidential Proposals

91AF0587F Dakar SUD HEBDO in French
3 Jan 91 p 3

[Text] The political measures leading to the creation of a High Commission for Radio and Television and the opening of discussion on the "controversial" aspects of the electoral code announced by President Abdou Diouf on the evening of 31 December were subjected to unanimous rejection by the opposition. Mssrs. Abdoulaye Wade, Abdoulaye Bathily, and Babacar Niang made immediate statements on these measures on Tuesday, 1 January.

Conacpo [National Conference of Opposition Party Leaders] also made a declaration.

Senegalese Democratic Party (PDS) Leader Me Abdoulaye Wade believes that "Abdou Diouf did not respond to the questions posed by the Senegalese people." Shortly before the 25 November 1990 elections, Me Wade recalls that "Abdou Diouf stated that he had the best electoral code in the world. Today he recognizes that the opposition's demands and especially the remarks of the National Democracy Institute (NDI) were founded in fact. Diouf also recognized having organized false elections in 1988 and 1990." In the view of the PDS secretary general, the fact that Mr. Diouf takes responsibility for the results of the 25 November 1990 elections "shows that the question of elections in Senegal is not a question of electoral code because Mr. Diouf did not have to apply it, since the PS [Socialist Party] was the only participant in those elections. It is a question of ethics."

Mr. Abdoulaye Bathily, Secretary General of the Democratic League/Labor Party Movement (LD/MPT) feels that if the initiative announced on the evening of Saint Sylvester's day "is an implicit recognition of the anti-democratic nature of the electoral code, it is something to consider, all the while reaffirming that we cannot accept a code of this nature." In the LD/MPT leader's view, what is urgently needed is the adoption of a new electoral code for the organization of free and democratic elections.

The fact that the head of state has, on his own, reviewed the results for which the Socialist Party was credited in the municipal elections is also, according to People's Liberation Party (PLP) General Secretary Me Babacar Niang, "a significant indication of the credibility that it is necessary to grant to certain initiatives." Me Niang claims perplexity at the subject of the announced opening of discussions between political parties and officials on the electoral code. The PLP leader, citing the failure of the National Round Table as an example, says he is reserving comment on the subject of agreements with the PS.

With respect to the announced creation of a High Commission for Radio and Television, Me Wade recalls that the opposition has always demanded equal access for all parties to the state media, without discrimination, before denouncing the decision to create a High Commission "without consulting the interested parties." The PDS leader demands that a National Conference be held that "will examine the questions to which Diouf does not respond," while adding, "what Abdou Diouf needs is not lawyers but confessors like Mr. Kerekou, not only for the evil that he has done to Senegal but also for the immortality of certain decisions."

Abdoulaye Bathily, after denouncing the "bad faith on the part of the authorities," who have spoken for more than ten years of the opposition's access to the media, rejects the creation of the High Commission, "which should be the topic of discussion." To find a solution to

the crisis, he believes that "it is necessary for the government to leave and for new free and democratic elections to be organized."

Me Babacar Niang questions the vague nature of the High Commission: "What are their powers? Their qualifications? This structure does not resolve the fundamental problem of the parties' access to the state media."

Furthermore, the National Conference of Opposition Party Leaders (Conacpo), which met 1 January to evaluate the presidential speech, published a declaration rejecting the announced measures and calling on Mr. Diouf to announce "clearly that his electoral code should be modified in view of the anticipated legislative and presidential elections." With respect to the creation of a High Commission for Radio and Television, Conacpo compares it to a "simple screen to continue to violate the elementary rules of pluralism in the audiovisual domain."

After noting that "Diouf's initiatives are sleight of hand," Conacpo calls on all Senegalese to refuse to pay their taxes to the municipal and rural councils that are "illegal and illegitimate," and to "remain vigilant and mobilized until the realization of their hopes for change."

* Talks With Diouf Urged

91AF0587G Dakar SUD HEBDO in French
3 Jan 91 p 1

[Editorial by Demba Ndiaye]

[Text] In democracy, there are two ideas that of necessity must coexist: the right to oppose and the duty to negotiate. That is the foundation of civilized relations between an opposition and an (or several) party(ies) in power. The right to oppose even if it is continually ridiculed in Senegal is principally recognized by the Senegalese opposition. Its meetings may be forbidden, its demonstrations brutally broken up, its leaders condemned to prison, but that does not prevent the opposition from having the constitutional right "to oppose."

It is in the name of this right that it is contesting the results of the 1988 presidential and legislative elections, that it calls for new free and democratic elections on the basis of a new electoral code, that it rejects the municipal and rural counselors elected in the 25 November 1990 vote, that it demands equal access to the State media.

Is it not apparent that even President Abdou Diouf wants to loosen his grip on the political situation by announcing two measures that, even if they do not satisfy the opposition, could constitute elements for discussion: these are the creation of a High Commission for Radio and Television, and a discussion between the opposition and independent experts on "certain controversial aspects of the electoral code." If one can comprehend that the opposition was burnt by the failure of the 1988 Round Table and the torpedoing of the call for

dialogue from the Khalife General of the Tidjanes in 1989, one could and must question the categorical rejection of Diouf's overtures on the part of the member parties of the National Conference of Opposition Party Leaders (Conacpo). One could, even while excluding the participation of the Socialist Party (PS) (as long as Abdou Diouf remains in power) in a National Conference and in the transition government, at the same time sweep away the outstretched hand of one who today, whether one likes it or not, holds the reins of power in the country. That is how the right to oppose is inseparable from the duty to negotiate to find a resolution to a situation considered by everyone to be "catastrophic."

How would the opposition be discredited if it agreed to take President Abdou Diouf at his word to test the sincerity of his proposals? Who would prevent him from tomorrow knocking on the door of negotiations if it were judged insincere and "designed to appease foreigners?" In adopting this attitude of total rejection, does it not strengthen the position of the "hawks," who within the PS refuse all dialogue? In truth, the choice is of fundamental simplicity: either accept democratic dialog in seizing all overtures on the part of the adversary, or develop "opposition mania" at the risk of having to embrace every adventure.

The right to oppose is inseparable from the duty of responsibility, the most popular term in the political jargon of the Senegalese political class. To have badly negotiated or refused to negotiate changes and lost the opportunities, the opposition (the oldest in the subregion) finds itself today at the crest of the wave, or completely rejected at the queue of African opposition movements. Is it not symptomatic that it envisions sending emissaries to Benin and Gabon to inform itself of their experiences in "democratic management of the transition?"

* Banking Crisis Jeopardizes Enterprise Financing

91AF0586A Dakar LE TEMOIN in French
27 Dec 90 p 6

[Article by Mbagnick Diop: "The National Credit Bank of Senegal: When the State Fails To Act, Private Banks Pick Up the Slack"; first paragraph is LE TEMOIN introduction]

[Text] When will the sign of the National Credit Bank of Senegal appear on the front of this building? This is the challenge to the private banks of the country that have not managed to make contact with the International Bank for West Africa [BIAO].

Without any doubt the expert finding that led to the implementation of a banking sector reform program in the course of the past two years will be seen as the most controversial step taken by the Senegalese Government as part of its economic policy. Originally four (4) financial institutions were to be affected (Senegal National Development Bank [BNDS], Senegalese Banking Union

[USB], Sonabanque [National Banking Company], and Sofisedit [Senegalese Financial Company for the Development of Industry and Tourism], to which were added Assurbank and the BSK [Senegal-Kuwait Bank]), these having been run into the ground by sloppy management based more on political patronage than on promoting business.

The state, which was largely responsible for these bank collapses, hoped to make honorable amends with a reform program based on a project leading to the establishment of a new bank: the National Credit Bank of Senegal (CNS). The start-up of this bank, which had originally been anticipated last January and which was to receive assistance from lenders, has been postponed indefinitely, no doubt owing to the inability of the reform program's coordinator to convince all partners about initiating the project.

It has been said that the state would not own more than 25 percent of the stock and that the guarantors, as compensation for the loss sustained when Assurbank was dissolved, would be in possession of a one billion CFA [African Financial Community] franc holding in CNS's capital, this to be financed by the state. In a word the state changed its mind by deciding to act as a porter, i.e., take all the shares and reassign them bit by bit.

The CNS's capital was originally planned to be 2 billion CFA francs, a sum which the state had trouble finding owing on the one hand to a pullout by the lenders and on the other hand to problems at the treasury.

Since then the question has been asked whether the CNS will ever see the light of day, even assuming the debts for all the banks being liquidated are quickly collected.

In fact, even if the state had put the capital together, the CNS would not be operational according to the simulated profitability tests conducted during the start-up of the project. It is absolutely imperative that the state repay the frozen deposits plus the balances which have been consolidated at the Central Bank of the West African States [BCEAO]. What is due now relates to the deposits (20 billion CFA francs), to which are added debts totaling one hundred (100) billion CFA francs.

Today these figures pose a problem, since reimbursement cannot be put off until tomorrow, or at least this is what was revealed by Alia Diene Drame, the coordinator of the banking sector reform program, in an interview published in LE SOLEIL several months ago (on 29 June). The new bank will not be responsible for deposits and debts. A recovery company has been established, but it will find speeding up the release of the frozen deposits hard going.

Given this uncertain situation, made worse by disagreement among the lenders over the type of bank the reform program intends to set up, the government has once again switched tactics. It has appealed to private bankers to take over the file on this bank, which will undoubtedly

provide small and medium-size businesses (PME) with a flexible financing mechanism.

In a word, what this is about, given the mandate extended to the private banks of the country, is pulling together the conditions that will allow a private national bank to emerge. However private bankers were only apprised of the file after fruitless approaches had been made and the government had made commitments to the lenders.

If it is not possible to say that the private bankers are exhibiting a certain reticence, it is possible, on the other hand, to state that they have put their requirements on the table because they have a legitimate concern about only putting their money into a well constructed project. In other words, the country's private banks will only agree to put their marbles where there is some oversight. Now the contacts that have been made so far have not removed every doubt. The state's role in setting up a new bank is not clearly defined. What is more, the BCEAO's position is undetermined.

Nevertheless it should be noted that, whichever scenario is decided upon, this new bank will absolutely have to be established if small- and medium-size businesses in Senegal are really to emerge from the difficult situation they have been in since the banking system reform program was launched. Today small- and medium-size businesses are faced with a certain form of marginalization, since it is not too much to state that the banks in the marketplace are not giving them the support they cannot do without.

So the problem is being posed in terms of financing investments and small- and medium-size businesses. Senegal no longer has a development bank, and those banks that are fighting over the customers of the banks being liquidated are only interested in the short term. It is this equation which the mandate given to the National Employers Council [CNP] should respond to in part because currently it is essential to find ways of financing investment, i.e., measures that will accompany any economic policy no matter how new it may be.

To succeed where the coordinator of the banking system reform program has not, the owners of private banks in this country will have to cast a wide net. It is obvious that if austerity is the building block basic to the hunt for

financing and ultimately to the initiation of the project, the CNP, which has been given a mandate by the government, will give the latter a lesson in efficiency.

Unanswered Questions...Capital and Debts

In light of the latest information gathered from the private banking world, a certain method of divvying up the partnership shares in the new bank has emerged, and this new bank will no longer go under the name of National Credit of Senegal as planned.

With 60 percent of the capital, it is clear that the private banks of Senegal will oversee this bank, with which the African Development Bank [ADB], the West African Development Bank [WADB], the BCEAO, and the state will be associated at the 10 percent level.

What now remains to be defined is the relationship the project's new promoters will have to have with the coordinator of the banking system reform program. Similarly the doubt and anguish, which in the past year, have been racking poor depositors whose deposits have been frozen by order of the state must be lifted. It would be appropriate to remind readers that Mr. Serigne Lamine Diop, when he was the minister of economy and finance, had spoken of a repayment which would only occur in 1992. Is there anything more hypothetical? One thing is certain, the private bankers will not make any agreement in the area of covering frozen deposits and debts.

So the state must decide to seek out the means for a repayment that the recovery company, which is supposed to be a bank liquidation's safety valve, will never be able to guarantee. The big debtors are in the corridors and anterooms of the government. Who is the fool here?

Besides, what other explanation is there for the behavior of Mr. Alia Diene Drame in his role as the coordinator of the banking system reform program? The gentleman is more concerned with liquidating than he is with convincing, efficient negotiations with the lenders. Quite simply, the government has compromised this reform program's chances by taking the job away from Mr. Abdoulaye Diop, its former coordinator. When they deal with somebody they perceive to be a liquidator and nothing else, what will the position of the private bankers in Senegal be?

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